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TRANSMITTAL OF APPEAL BRIEF (Small Entity)

Docket No.
0131-1

In Re Application Of: David J. Alverson et al.

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
10/634,504	August 5, 2003	Peter H. Choi	000025901	3623	8769

Invention: Contractor Certification System

COMMISSIONER FOR PATENTS:

Transmitted herewith is the Appeal Brief in this application, with respect to the Notice of Appeal filed on:

January 3, 2008

☒ Applicant claims small entity status. See 37 CFR 1.27

The fee for filing this Appeal Brief is: \$755.00

☒ A check in the amount of the fee is enclosed.

☐ The Director has already been authorized to charge fees in this application to a Deposit Account.

☒ The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 503832. I have enclosed a duplicate copy of this sheet.

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Signature

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Dated: March 7, 2008

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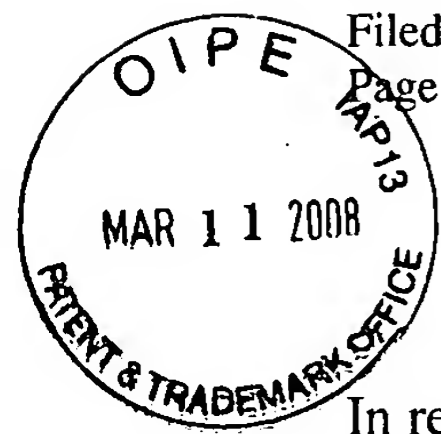
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Applicant : David J. Alverson
Serial No. : 10/634,504
Filed : August 5, 2003
Page : 1

Attorney Docket No.: 0131-1



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: David J. Alverson
Serial No.: 10/634,504
Filed: August 5, 2003
For: **CONTRACTOR CERTIFICATION SYSTEM**
Docket No.: 0131-1

Group Art Unit: 3623
Examiner: Peter H. Choi

March 7, 2008
Bedminster, NJ 07921

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APPEAL BRIEF

This Brief is in furtherance of the Notice of Appeal entered January 3, 2008 in the above-identified application.

The fee required under 37 CFR §41.20 to accompany this brief is set forth in the accompanying Transmittal of Appeal Brief.

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TABLE OF CONTENTS

I.	Real Party in Interest	3
II.	Related Appeals and Interferences	4
III.	Status of Claims	5
IV.	Status of Amendments	6
V.	Summary of Claimed Subject Matter	7
	Independent claim 1	7
VI.	Grounds of Rejection To Be Reviewed On Appeal	16
VII.	Arguments	17
	(A) Claims 1, 2 and 4 - 13	17
	1. Claim 1	24
	2. Claim 2, 7 and 8	55
	3. Claims 4, 5 and 9	59
	(B) Claims 6 and 10 - 13	60
	1. Claims 6, 10 and 11	61
	2. Claims 12 and 13	64
VIII.	Conclusion	67
IX.	Claims Appendix.....	68
X.	Evidence Appendix.....	72
XI.	Related Proceedings Appendix.....	73

Applicant : David J. Alverson
Serial No. : 10/634,504
Filed : August 5, 2003
Page : 3

Attorney Docket No.: 0131-1

(I) Real Party in Interest

The real party in interest is David J. Alverson, the inventor of the present invention.

Applicant : David J. Alverson
Serial No. : 10/634,504
Filed : August 5, 2003
Page : 4

Attorney Docket No.: 0131-1

(II) Related Appeals and Interferences

There are no other appeals or interferences in related applications known to the appellant or to the appellant's legal representative, which will directly affect or be directly affected by, or have a bearing on, the Board's decision in the pending appeal.

(III) Status of Claims

The claims on appeal are claims 1, 2 and 4 – 13, which were finally rejected in the Office Action dated October 18, 2007. A copy of these claims is set forth in Section IX – Claims Appendix.

Claims 1 and 2 stand finally rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of U.S. Patent Application Publication No. 2002/0099586 A1 to Bladen et al. and the Award Expiration/Closeout section of the University of Utah Research Handbook reference.

Originally-filed claim 3 has been cancelled during prosecution.

Claims 4 – 13 stand finally rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of U.S. Patent Application Publication No. 2002/0099586 A1 to Bladen et al. and the Award Expiration/Closeout section of the University of Utah Research Handbook reference.

Applicant : David J. Alverson
Serial No. : 10/634,504
Filed : August 5, 2003
Page : 6

Attorney Docket No.: 0131-1

(IV) Status of Amendments

The claim listing set forth in Section IX reflects the pending claims, which were presented by way of applicant's amendment under 37 CFR §1.111 that was submitted on July 27, 2007. Entry of these claims was confirmed by the Office Action dated October 18, 2007.

(V) Summary of Claimed Subject Matter

Independent claim 1 is pending in the present application, along with claims 2 and 4 – 13 dependent on claim 1.

Independent claim 1.

Independent claim 1 is directed to a contractor certification system. The contractor certification system comprises: (i) survey means comprising a questionnaire, which is provided to selected candidates within different organizational levels of a building contractor's business for gathering answers concerning information detailing business and financial practices (page 16, lines 22 – 23); (ii) selected candidates comprising workers, foremen, project managers, engineers, and principals (page 17, lines 1 – 2); (iii) mapping means for studying the answers provided to the questionnaire to select job site visits and candidates for interviews (page 17, lines 9 – 14); (iv) on-location assessment means for determining business and financial practices at the contractor's operations (page 17, lines 15 – 20); (v) comparison means for assessing business and financial practices, and ranking the contractor in comparison with industry standards (page 18, lines 6 – 9); and (vi) reporting means for providing a grade indicative of the contractor's rank (page 18, lines 13 – 16).

The answers resultant from the survey means are used for assessing business and financial practices of the contractor's practices by an independent third party (page 16, lines 21 – 23 onto page 17, lines 1 – 2). The answers relating to the financial practices are used to predicate risk ranking when securing lines of credit for the contractor's business (page 16, lines 3 – 16).

Business practice information uncovered through the survey includes the contractor's management structure, reporting structure, internal communications procedures, and safety and labor management practices (page 17, lines 5 – 8). Financial practice information uncovered through the survey includes current projects, funding, gross margins and close out procedures (page 13, lines 5 – 15). The mapping means comprises examining and correlating the answers to determine matches, discrepancies and inadequate detail (page 19, lines 22 – 23). On-location assessment means comprise asking questions to each of the candidates selected through the mapping means and observing examples of the contractor's business practices and financial procedures, and visiting several active job sites at which the contractor is involved (page 20, lines 1 – 3). Reporting means comprises generation of a comparative report that provides a listing of key risk factors and compares and highlights the business and financial practices and risk factors of the contractor (page 20, lines 14 – 20). Risk factors include operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation (page 21, lines 12 – 23).

Schematic representations of steps carried out during practice of the contractor certification system delineated by independent claim 1 are depicted by Figs. 1 and 5 of the instant application, which respectively show a brief schematic of the steps carried out and a flowchart depicting the process of the contractor certification system 10 of the invention. For convenience, these figures are reproduced below.

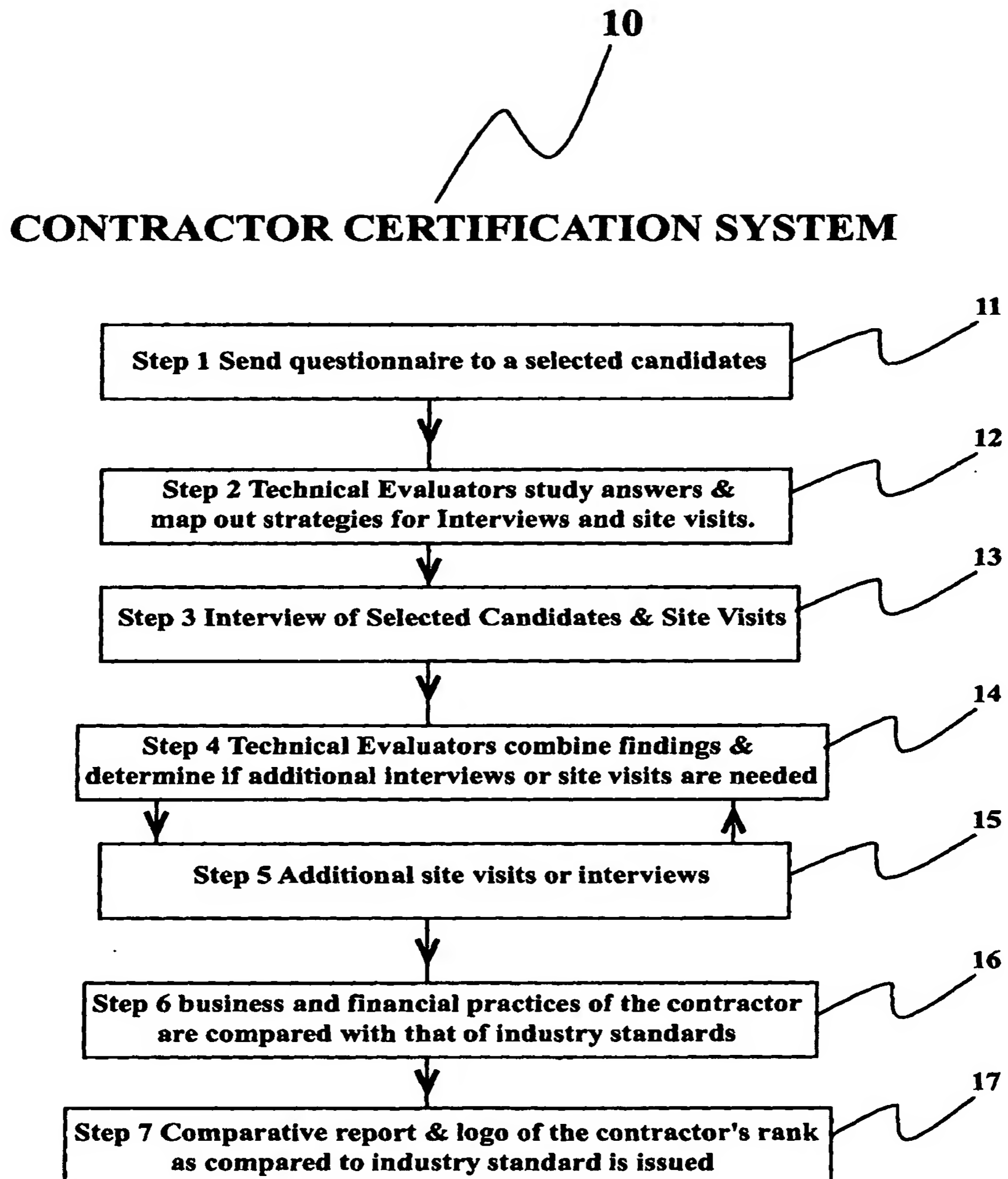


Fig. 1

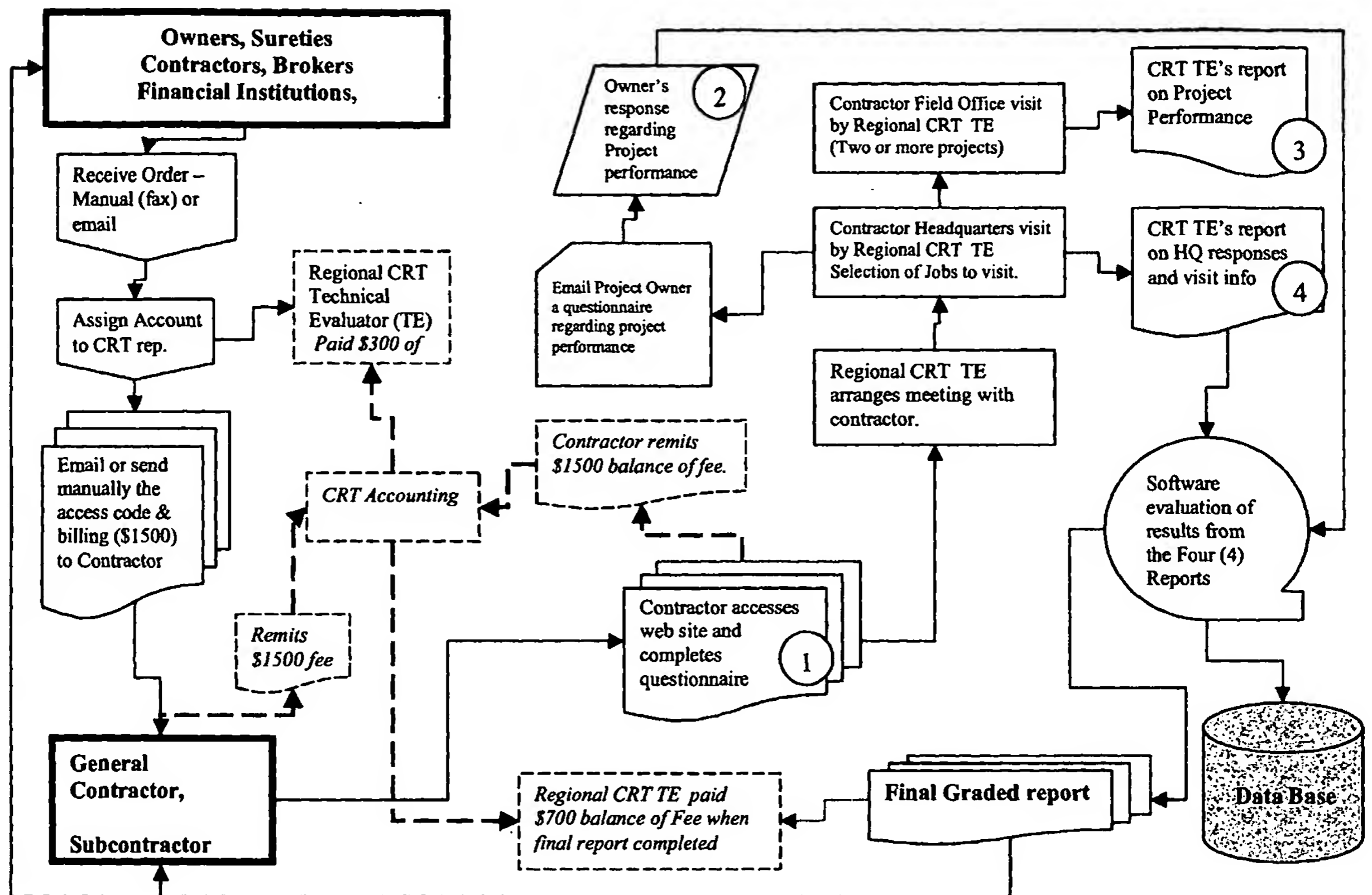


Fig. 5

(USSN 10/634,504)

As set forth at page 19, lines 11 – 23, contractor certification system 10 of this embodiment includes a series of steps that must be taken to concisely evaluate a contractor's business practice. As shown at 11 in Fig. 1, step 1 involves sending a questionnaire relating to a contractor's business to a number of selected candidates within the contractor's business. These “selected candidates” include workers, foremen, project managers, engineers

and principals, and each answer non-threatening questions contained by the questionnaire (page 19, lines 14 – 17). Depending on their roles in the organization, these candidates may submit substantially different answers and reference divergent illustrative incidents (page 19, lines 17 – 18). Completed questionnaires are sent to Construction Risk Technology, the evaluating company. To generally carry out step 1 (of Fig. 1) a contractor accesses the Construction Risk Technology web site and completes a questionnaire and owners, sureties, contractors, brokers or financial institutions may access the web site (Fig. 5, step 1, page 22, lines 17 – 18). The web site system manages setting up an account for the owners, sureties, contractors, brokers or financial institutions and charges a fee accordingly (page 22, lines 18 – 20). If a request is made by a contractor, a regional Construction Risk Technology Technical Evaluator arranges a meeting with the contractor to complete interview questionnaires and job site visits (page 22, lines 20 – 22).

At step 2 (Fig. 5, page 22, lines 22 – 23; Fig. 1, shown at 12) the owner's response regarding project performance is obtained. Referring to step 2, the Technical Evaluators of Construction Risk Technology examine the details of the answers and correlate them to determine clear matches, clear discrepancies and inadequate details (page 19, lines 20 – 23). Based on this analysis, the Technical Evaluators map out strategies for interviews and visits to several job site inspections (page 19, lines 20 – 23).

At step 3, shown at 13 in Fig. 1, the Technical Evaluators visit the contractor and set up interviews with targeted employees or principals probing specific areas. The Technical Evaluators also visit contractor's work locations to determine work practices and financial procedures (page 19, line 23 onto page 20, lines 1 – 3). In a small contracting company, one

Technical Evaluator may accomplish most of these tasks (page 20, lines 3 – 4). Larger contracting operations will require the coordinated effort of several Technical Evaluators (page 20, lines 1 – 5). At step 3, the responses from questionnaires as well as details obtained during interviews and job site visits are gathered, compared and analyzed to create a report on project performance by Construction Risk Technology (page 22, line 23 continuing onto page 23, lines 1 – 2).

Referring to step 4, shown as reference number 14 in Fig. 1, the Technical Evaluators combine their findings and determine if additional interviews or job site visits are needed (page 20, lines 6 – 7). At step 4, the Construction Risk Technology's report on contractor headquarters' responses together with additional visit information are compiled and gathered. The data obtained in step 4 is stored in the database and is compared with previous contractor evaluations using Construction Risk Technology software (page 23, lines 2 – 6). Step 5, shown as reference number 15 in Fig. 1, involves that additional job site visits or interviews be conducted to assess the business and financial practices of the contractor (page 20, lines 7 – 8). Steps 4 and 5, shown at 14 and 15 in Fig. 1, are repeated until the Technical Evaluators are satisfied that they have acquired adequate information (page 20, lines 8 – 10).

In step 6, shown at 16 in Fig. 1, the business and financial practices of the contractor are compared with that of industry standards for contractors of a selected size and type of contractor work (page 20, lines 10 – 12). This standard exists within Construction Risk Technology, the evaluating company, as a database derived from evaluated contractor business and financial practices and the records of surety risk associated with their practices (page 20, lines 12- 14). In the final step 7, shown at 17 in Fig. 1, a comparative report of the contractor's rank as compared

to industry standards, is issued (page 20, line 14). The comparative grade provided by the report can be exhibited by the contractor in prospective commercial correspondence (page 20, line 15). The report is provided to the contractor and is available to authorized personnel at the Construction Risk Technology web site (page 23, lines 7 – 8). A representative portion of a typical comparative report issued by the Technical Evaluator to the contractor, and to a surety or lending institution delineated by independent claim 1 is depicted by Figs. 4c and 4d of the instant application. For convenience, these figures are reproduced below.

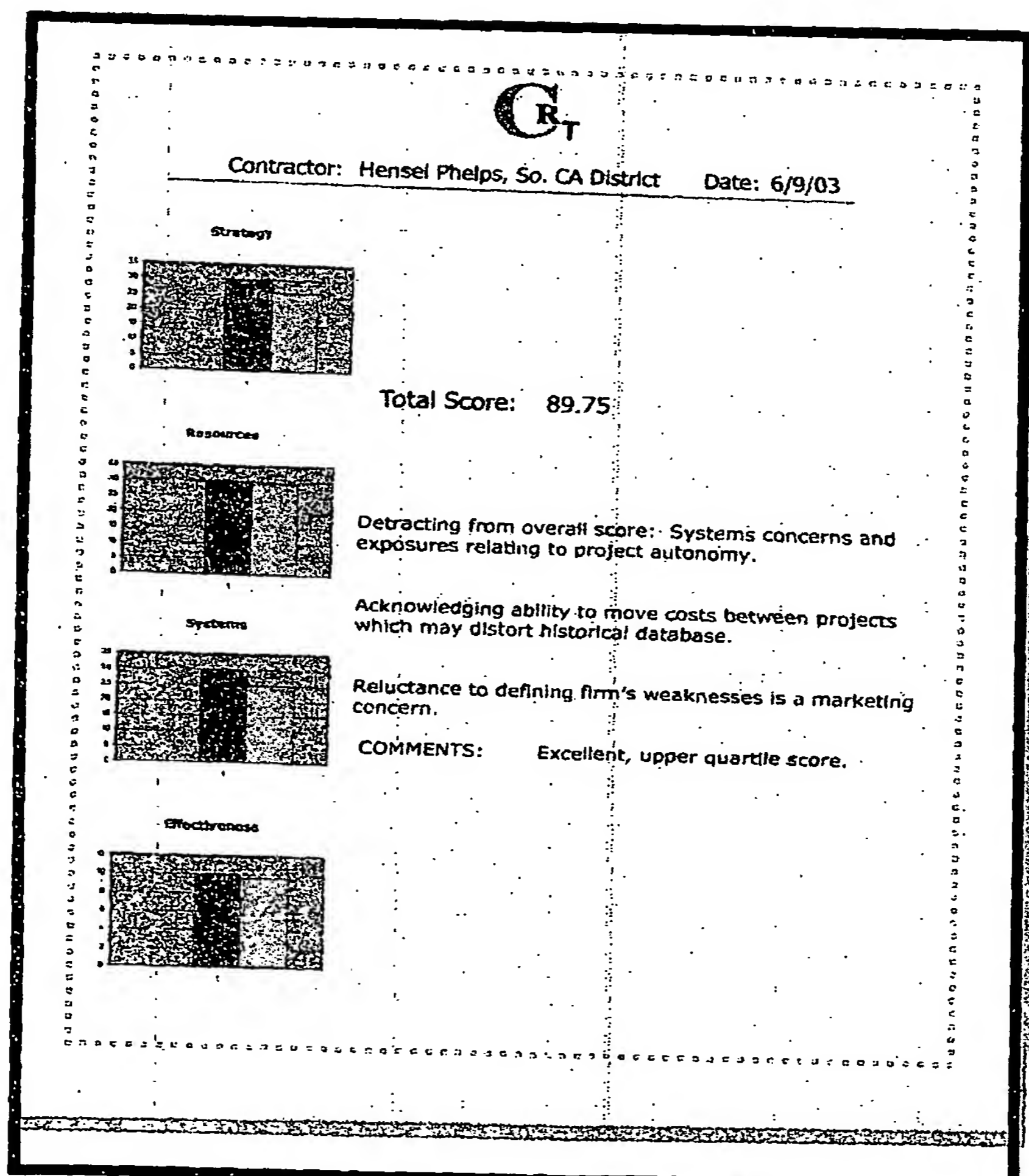


Fig. 4c

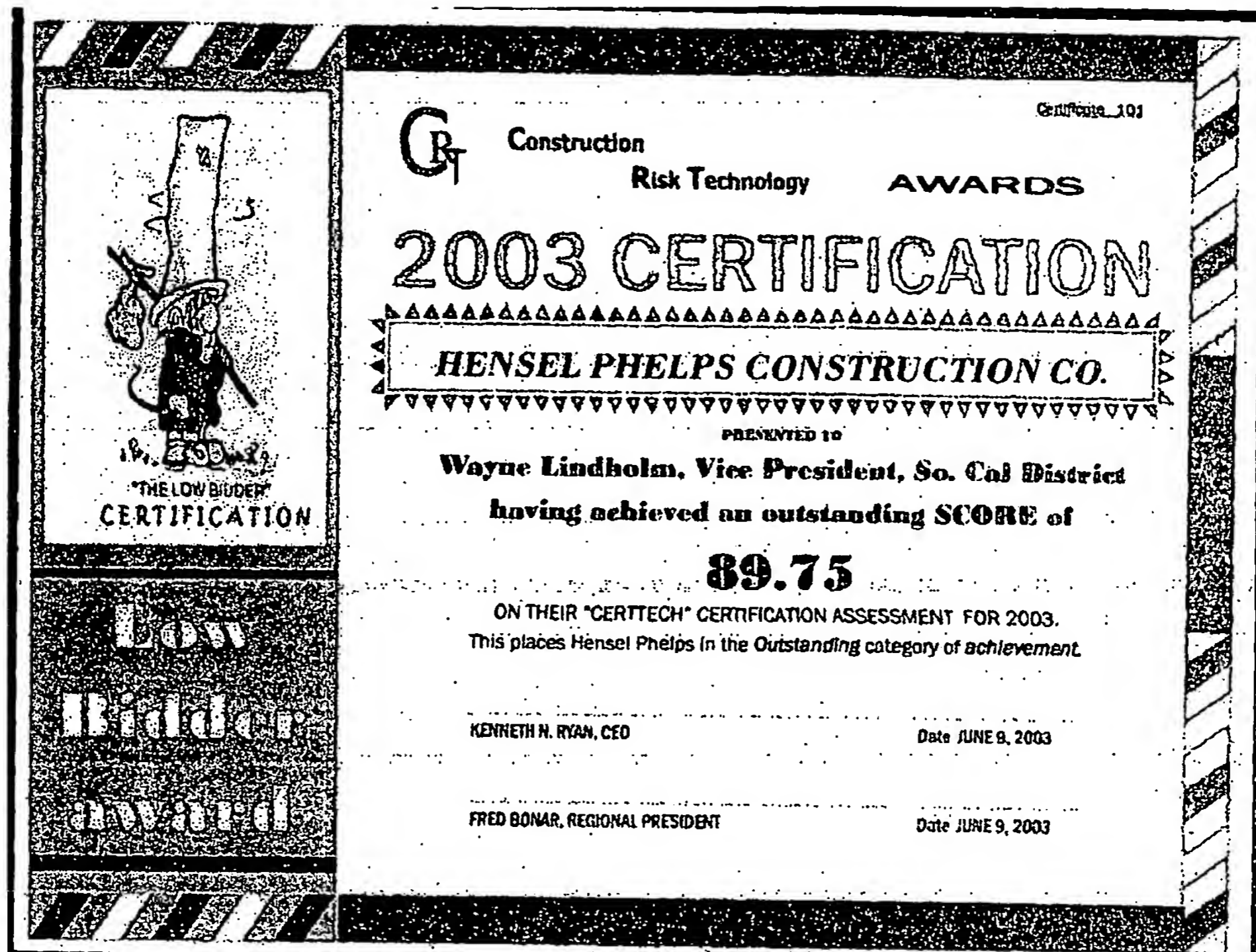


Fig. 4c

(USSN 10/634,504)

The comparative report provides a listing of key factors that are essential for surety and lender's organizations to underwrite bonds and loans for the contractor (page 22, lines 4 – 6). Contractor's business practices and risk factors are highlighted by the report, so that the surety and lending institution can make a valid judgment during the underwriting process (page 22, lines 6 – 8). The report enables contractors to be provided with the best possible rate while providing a comfort zone for the surety/lending institutions engaged in underwriting credit for

the contractor, thereby resulting in a smoother relationship (page 22, lines 8 – 11). Annual re-qualification of a contractor automatically provides evaluation of existing projects in relation to performance schedules and project cost management, so that the surety institutions are automatically updated (page 22, lines 11 – 13). The contractor also can increase the annual ranking by improving their business practices (page 22, lines 13 – 14).

None of appellant's pending claims employs means-plus-function or step-plus-function language of the type contemplated by 35 USC 112, sixth paragraph.

(VI) Grounds of Rejection To Be Reviewed on Appeal

(A) Whether claim 1, 2 and 4 – 13 should be rejected under 35 U.S.C. §103(a) as being unpatentable over Aycock et al., in view of GuruNet, further in view of Bladen et al. and The Utah Research Handbook.

(B) Whether claim 6, 10 and 11 – 13 should be rejected under 35 U.S.C. §103(a) as being unpatentable over Official Notice taken by the Examiner where the limitations of the dependent claims are not taught or suggested in Aycock et al., GuruNet, Bladen et al. or The Utah Research Handbook.

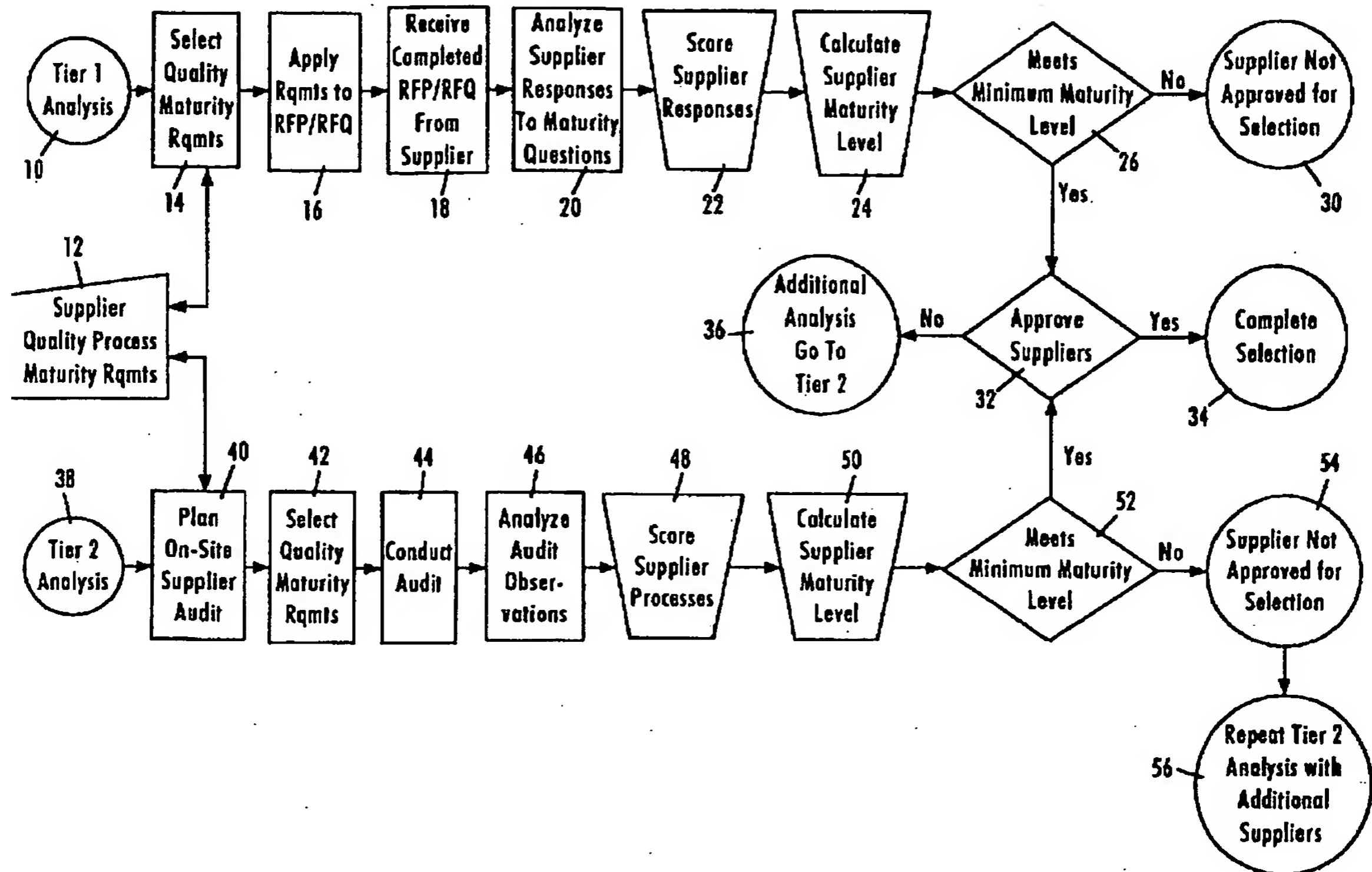
(VII) Arguments

(A) The contractor certification system of claims 1, 2 and 4 - 13 meet the conditions for patentability, and should not be subject to rejection under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of U.S. Patent Application Publication No. 2002/0099586 to Bladen et al. and the Award Expiration/Closeout section of the University of Utah Research Handbook reference.

The Examiner has rejected claims 1, 2 and 4 – 13 under 35 U.S.C. §103(a) as being unpatentable on the following basis:

Claims 1 – 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aycock et al. (Patent No. #5,765,138) in view of GuruNet's "Business Evaluation Statements", further in view of Bladen et al. (Patent Application No. #US2002/0099586A1) and the Award Expiration/Closeout section of the University of Utah Research Handbook (reference 1-U, herein referred to as The Utah Research Handbook) (see marked-up Utah Research attachment). (Office Action of October 18, 2007, page 11).

Aycock et al. discloses an apparatus and method for providing interactive evaluation of potential vendors. A flow chart of the supplier quality maturity assessment process according to the apparatus and method is readily visualized in the depictions of Fig. 1 of Aycock et al., which is reproduced below for the convenience of the Board.



(Aycock et al., US Patent 5,765,138)

With reference to Fig. 1, a tier 1 analysis in step 10 begins with establishing a master set of supplier quality process maturity requirements in step 12, which may be established from a known set of quality process standards. [Col. 5, lines 19 – 36]. The tier 1 analysis continues to step 14 where quality maturity requirements are selected from the set of requirements established in step 12 in accordance with project requirements. [Col. 5, lines 44 – 47]. After the necessary quality maturity requirements have been selected in step 14, the process continues at step 16 to apply the requirements to the request for proposal/request for quotation (RFP/RFQ), which includes requirements for technical specifications, price and availability,

service and support and the selected quality maturity requirements from step 14. [Col. 5, lines 66 – 67 onto Col. 6, lines 1 – 5]. The completed RFP/RFQ in step 16 is disseminated to suppliers that desire to be qualified as vendors for the identified project. [Col. 6, lines 5 – 7]. The completed RFP/RFQ is received from the supplier in step 18 and supplier responses to the maturity questions are analyzed in step 20. [Col. 6, lines 7 – 10]. A score is given in relation to responses in step 22, and a supplier maturity level is calculated in step 24. [Col. 7, lines 14 – 16]. Upon calculating the supplier maturity level in step 24, it is then determined in step 26 whether the supplier meets the minimum maturity level. [Col. 7, lines 38 – 40]. Preferably, the minimum maturity level is set at either a level 2 maturity level for a repeatable process, or a level 3 maturity level for a standardized process. [Col. 7, lines 40 – 43]. If the supplier does not meet the minimum maturity level in step 26, the supplier is automatically rejected in step 30. [Col. 7, lines 43 – 45]. Significantly, if however it is determined in step 26 that the supplier meets the minimum maturity level, then an *interim decision is made in step 32* whether to automatically approve the supplier. [Col. 7, lines 46 – 49, emphasis added by appellant] without any further analysis, onsite or otherwise.

Moreover, if there are only one or two suppliers that are to be qualified as vendors, the process may end at step 26, again foregoing any further analysis. [Col. 7, lines 54 – 56]. Typically, however, the supplier evaluation may be part of an overall competitive *bidding* scenario – which, in that case, additional suppliers may be compared and analyzed to obtain at least one qualified vendor. [Col. 7, lines 56 – 59]. Thus, *if it is determined in step 32 that an automatic approval of a supplier cannot be made, then an additional tier 2 analysis is performed*, namely performance of an on-site supplier audit to validate the supplier responses,

and to gain any additional information necessary to complete the supplier selection process. [Col. 7, lines 59 – 65, emphasis added by appellant]. Step 38 identifies the beginning of the tier 2 analysis for an on-site supplier audit. [Col. 7, lines 66 – 67 onto Col. 8, lines 1 – 2]. The relevant supplier quality process maturity requirements are selected in step 40 from the set of maturity requirements established in step 12, additional requirements may be selected to supplement the maturity questions generated for the RFP/RFQ in steps 14, 16 and 18 for a more detailed maturity requirements selected in step 42 concerning the function of validating the supplier responses, and identifying the detailed quality control procedures used by the supplier. [Col. 8, lines 2 – 11]. After the quality maturity requirements have been selected in step 42, a physical audit at the supplier site (on-site audit) is conducted in step 44, typically performed by the purchasing agent and/or employees/consultants of the buying entity specialized in relevant fields, such as design engineers, quality control engineers, production engineers, and production control managers responsible for production scheduling. [Col. 8, lines 19 – 27].

GuruNet discloses a list of statements by which a business owner can evaluate his / her company. For the convenience of the Board, a copy of page 1 of GuruNet, including markings added by the Examiner, is reproduced below to illustrate a representative portion of the question types of GuruNet (GuruNet with Examiner's markups by way of the Office Action dated June 15, 2005).

MARKETING

MARKETING

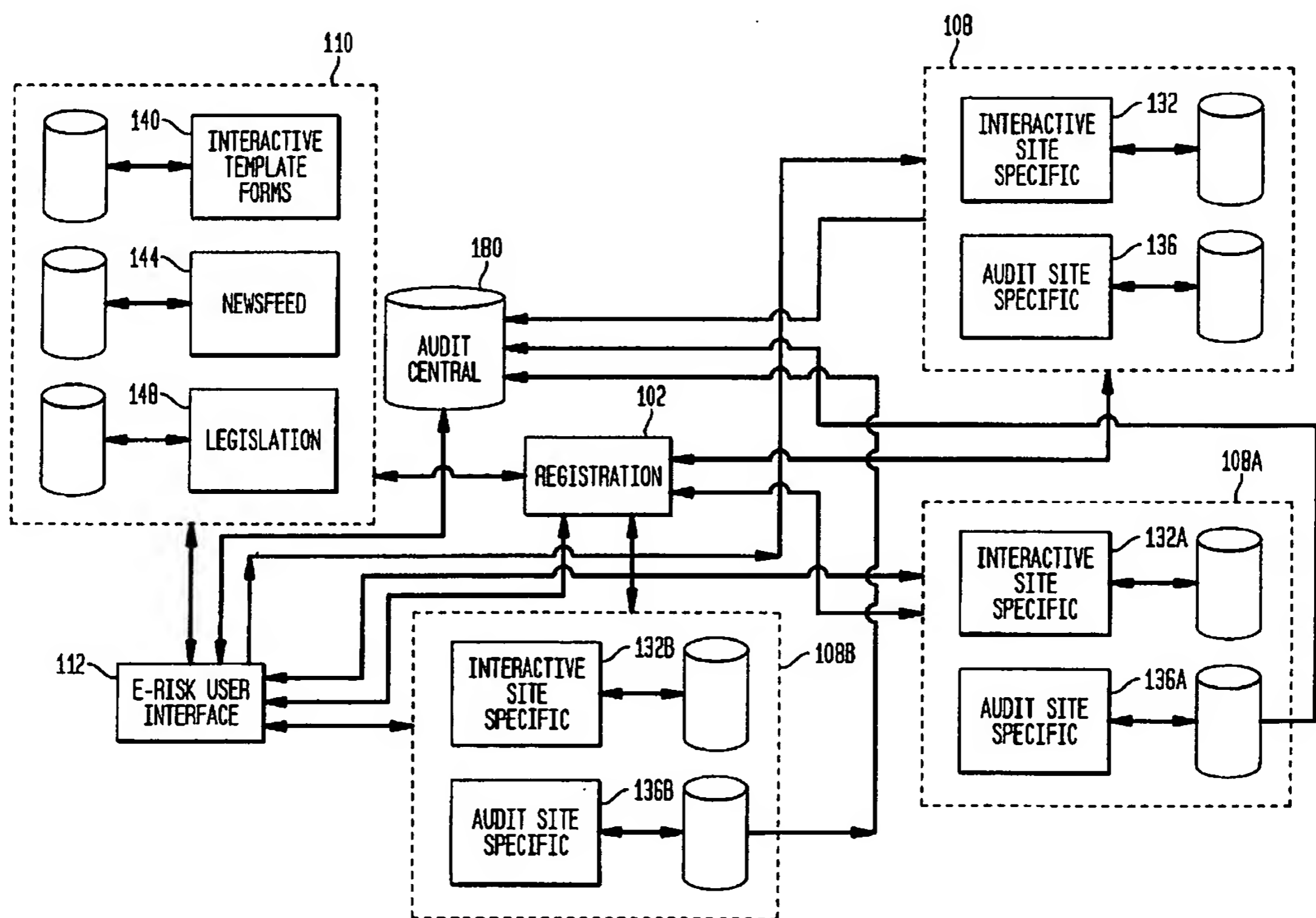
RETAIL (top)	
1	We are constantly taking fresh initiatives to contact all potential customers for our products in our marketplace.
2	Our market strategy effectively differentiates us in the eyes of the customer.
3	We have an effective sales and marketing strategy to tap the most growing markets.
4	Our store layout and merchandizing are designed to effectively promote our products.
5	We are taking effective measures to improve our closing ratio on traffic coming into the store.
6	We effectively utilize direct mail to attract new customers.
7	Our customers are extremely pleased by the quality and speed of service which they receive from us.
8	Our store signage and product merchandising are neat, attractive, frequently varied, making it easy for customers to identify the features and price of every product.
9	We utilize effective systems to follow-up on every sale and obtain customer referrals.
10	We systematically monitor the impact of ads and promotions on store traffic and sales to evaluate their effectiveness.
11	Our marketing plan provides for an appropriate level and blend of print, radio, TV, other advertising to reach all potential customers in our market area.
12	The information that we give our customers is timely, accurate and appropriate to satisfy their level of needs.
13	We effectively complement our in-store sales efforts with sales and marketing efforts that reach a greater number and broader range of customers.
14	Every member of our sales staff knows how to listen to customers, win

(GuruNet)

GuruNet provides an internal self-evaluation of a business orchestrated by the owner in order to gain information on areas that need improvement. GuruNet provides a list of statements by which a business owner can evaluate his / her company. Significantly, appropriate list of questions are to be distributed to the staff, and *each statement is to be rated [by the individual filling out the evaluation] on a scale of 1 – 10*. The score is then tallied up and averaged to determine which areas need most

improvement. From the results, the owner is to develop a plan to improve the most wanting areas. [Page 1, introductory paragraph, emphasis added by appellant].

Bladen et al. discloses a system, method and computer program product for risk assessment and interactive risk management. Fig. 1E is below depicting how a user interface interacts with an audit central component of an e-Risk system according to Bladen et al., which is reproduced below for the convenience of the Board.



(Bladen et al., US Patent Application Publication 2002/0099586A1)

Paragraph [0249] discusses user interface 112 as it relates to audit capabilities, showing audit central 180 as the central reference point that references all audit materials on the e-Risk system 100. FIG. 1E also shows multiple site specific files. In particular site specific files 108, site specific files 108A and site specific files 108B. Each of these site specific files represents a group of files for performing audits and performing interactive risk management and risk monitoring of a particular site. As shown in FIG. 1E audit central 180 directly links to the site specific audit assessment template module for each site specific file module. Thus, audit central 180 links directly to site specific audit assessment module 136, site specific audit assessment template module 136A and site specific template module 136B. In this way, audit central 180 is able to read the audit information directly from each site specific file module. e-Risk user interface 112 is directly linked to audit central 180. Thus, any user with a correct access authorization can view and interact with audit information and audit capabilities of any site via audit central 180. [Paragraph 0249].

Utah Research Handbook Reference discloses award management for government contractors. Specifically, the Utah Research Reference discusses Award Expiration / Closeout (§5.7) setting forth that a project must be competed at the end of the award period if the University is to receive completed reimbursement and detailing closeout procedures. Others areas discussed are Final Technical Report and Other Deliverables (§5.7.1), Final Financial Report, Contractor's Release, Refunds, and Claims (§5.7.2), Final Inventory Report and Title to Property (§5.7.3) and Patent and Invention Report (§5.7.4). Significantly, the reference deals with *awarding of*

government contracts to the University and the policies and procedures governing the awards.

1. Independent claim 1 meets the conditions for patentability because Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook, do not teach or suggest all the claim limitations of the contractor certification system of claim 1, and any such teaching or suggesting to make the claimed combination and the reasonable expectation of success is not found in the prior art but is based on applicant's disclosure.

With respect to claim 1, the Examiner's basis is set forth on pages 11 – 24 of the Office Action dated October 18, 2007, which provides the following basis for his rejection¹ from which combinations as to each subsection are derived from the Examiner:

Regarding claim 1, Aycock et al. teaches a contractor certification (supplier evaluation) system comprising:

- (a) survey means comprising a questionnaire (*RFP/RFQ*), which is provided to selected candidates (*suppliers that desire to be qualified as vendors*) within a contractor's business for gathering answers concerning information detailing practices, said answers being used for assessing practices of said contractor by an independent third party (*the purchasing agent identifying the set of technical requirements that need to be met may be a contracting department of the buying entity, or an independent agent acting on behalf of the buying entity*). [Column 1, lines 55 – 56 , Column 6, lines 1 – 9];**
- (c) mapping means for studying said answers provided to said questionnaire to select job site visits and candidates for interviews (*after scoring the supplier responses, a supplier maturity level is calculated by correlating the***

¹ Office Action of October 18, 2007, Aycock et al. discussion begins on page 11, last paragraph, through page 14, second paragraph. Grounds for rejection of claim 1 subsection limitations using combination of references are recited in the Office Action from page 14 – 24. Each of the subsection limitation rejections are discussed hereinafter with the Examiner's grounds cited. Emphasis added by Examiner, indicated in italics.

score of each supplier response with the weighting value of the corresponding maturity question...it is then determined whether the supplier meets the minimum maturity level...if it is determined that an automatic approval of a supplier cannot be made, then an additional tier 2 analysis is performed namely performance of an on-site supplier audit to validate the supplier responses, and to gain any additional information necessary to complete the supplier selection process){thus, job site visits are dependent on the mapping of answers with the maturity questions}[Column 7, lines 14 – 65], said mapping means comprising examining and correlating said answers to determine matches, discrepancies and inadequate details (if a supplier answers “no”, or does not provide a response, the supplier would receive a score of “0” for that particular maturity question; a response schedule may identify 10 possible items that may be identified in the supplier’s response. In this case, the supplier receives a predetermined point value for each item identified in the supplier’s response). [Column 6, lines 63 – 65, Column 7, lines 7 – 10];

- (d) *on-location assessment (on-site audit) means for determining (validating) business practices at the contractor’s operations, said assessment means comprising asking questions to each of said candidates selected through said mapping means (the RFP/RFQ questions are directed towards a set of technical requirements that need to be met by prospective vendors and towards a set of selected quality maturity questions, thus the questions are based on a “mapping” of technical requirements; the questions are weighted corresponding to their relative sophistication or relevance to the project objective, thus the importance of the response to the question have been “mapped”) and observing examples of the contractor’s business practices (the on-site audit includes validating the supplier responses to the RFP/RFQ, either by performing actual tests on hardware equipment or software systems, and / or reviewing the quality control procedures and processes at the supplier site) [Column 1, lines 45 – 49, Column 3, lines 24 – 29, Column 6, lines 19 – 54, Column 7, lines 62 – 65, Column 8, lines 27 – 31, Column 12, lines 47 – 50];*
- (e) *comparison means (risk assessment) for assessing business practices (technical capabilities), and ranking the contractor in comparison with industry standards {the supplier quality maturity assessment process is based upon national and international standards including ISO 9001/ISO 9000-3, which are industry standards for quality} [Column 8, lines 58 – 63]; and*
- (f) *reporting means (product database) for providing a grade indicative of said contractor’s rank (competitive analysis of all vendors to determine the respective performance)[Column 9, lines 59 – 67 and Column 10, lines 1 – 17].*

[as per each subsections limitation rejection based on combination of references applied, see specific arguments below].

Appellant respectfully submits that the foregoing statement of rejection, and the further statements as to each specific subsection subsequent to such statement and discussed hereinbelow, does not establish *prima facie* obviousness.

a. Independent claim 1 meets the conditions for patentability because Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook, whether taken singly or in combination, do not disclose or suggest every feature of the contractor certification system of claim 1.

There is no disclosure or suggestion in Aycock et al., or in the combination of Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook, of a system having the features or functionality of the contractor certification system of claim 1.

Firstly², Aycock et al.'s method and system for evaluating supplier capabilities does not operate to permit assessment of a building contractor's business by a third party for predicating risk rankings for securing lines of credit. Specifically, as per the limitation in claim 1, subsection (a) requiring that survey means comprising a questionnaire be provided to selected candidates within a building contractor's business for gathering answers concerning information detailing business and financial practices, the Examiner has further stated the following as basis of rejection:

² Pertaining to the limitation of Appellant's claim 1, subsection (a) requiring "within a contractor's business".

Although Aycock et al. is not explicitly directed towards building contractors, contractors encompass various types of contractors (i.e. vendors, suppliers, building contractors, etc.); thus an artisan of ordinary skill in the art would look to apply the teachings of Aycock et al. towards certifying specific types of contractors, such as building contractors. [Office Action page 14, second full paragraph].

As would be recognized by a person having ordinary skill in building construction surety loan arts, extending loans to building contractors have unique risks and considerations that are not associated with loans for other types of businesses, and are clearly not associated with evaluations for determining a supplier's capability of qualifying as a vendor for a project as in Aycock et al. [Col. 2, lines 57 – 60]. Whereas vendor qualifications involve analysis of a supplier's technical assurances that the technical specifications of a product will be met, and quality assurances that quality control procedures are implemented [Aycock et al., Col. 1, lines 57 – 60], loan risk assessment for building contractors goes far beyond such technical and quality assurances and involves a much more in-depth analysis. For if a vendor does not fulfill product obligations, the interested entity can generally find a different supplier to qualify as a vendor, albeit time and money may be lost. On the other hand, if a building contractor fails to fulfill loan repayment obligations, the loan entity will not be able to recover losses (especially where the building contractor declares bankruptcy), and at best may only get a few cents to the dollar on the loan amount. Being that building loans a typically quite a substantial sum of monies, such losses can deeply impact a surety institution's bottom line.

Examiner's lumping of building contractors as being encompassed with vendors, supplier, etc. is misplaced as those skilled in the arts of building and lending to building contractors is a highly construction oriented skill specialty that is very different from that of vendors, suppliers, government contracts (i.e. The Utah Research Handbook Reference cited by the Examiner). Financial deterioration of a building contractor is frequently visible at the very late stages, so that measuring of such things as availability, design, production, and the like, which are very useful in determining supplier capabilities, are not enough to establish risk assessment of a contractor's financials. Construction or building contractors are challenged with changing conditions, including elements that are unknown and must be dealt with that are outside the terms and conditions of a specific job or actual conditions known or specifications proposed.

Building contractor's financial and operational practices are unique from that of vendors and suppliers. While builders are in the field of erecting structures, vendors and suppliers are in the field of providing supplies or goods. Even if, *arguendo*, the vendor is supplying a service, and that service being building, the evaluation in Aycock et al. is tailor and functions to merely determine which vendor should be selected via the bid process by making sure they have the right supplies and the like, and does not provide financial assessment necessary for surety lending – which is a completely different area than vendor bidding. Appellant has uniquely addressed the problems associated with surety lending to building contractors by providing a method that is multifaceted and thoroughly assess a builder's business and financial practices to yield a highly accurate risk assessment. *KSR v. Teleflex*, 127 S. Ct.

1727; 167 L. Ed. 2d 705; 2007 U.S. LEXIS 4745; 75 U.S.L.W. 4289; 82 U.S.P.Q.2D (BNA) 1385; (S. Ct. 2007).

Secondly³, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Bladen et al. or The Utah Research Handbook, does not permit *independent* third party assessment. Particularly, as per the limitation in claim 1, subsection (a) requiring third party assessment; the Examiner has stated that "*the purchasing agent identifying the set of technical requirements that need to be met may be a contracting department of the buying entity, or an independent agent acting on behalf of the buying entity.*" [Examiner, Office Action of Oct. 18, 2007, page 12, first paragraph, citing Aycock et al. Col. 1, lines 55 – 56, Col. 6, lines 1 – 9]. Aycock et al. provides for an independent agent – but same is acting on behalf of the buying entity – thus creating an agency relationship between the entity and the "independent agent", wherein "an agency relationship is a consensual relationship created when one person(the agent) acts on behalf of and subject to the control of another (the principal)." Hynes, Dennis J., "Agency, Partnership, and the LLC: The Law of Unincorporated Business Enterprises", Lexis Law Publishing, Fifth Edition, 1994, Glossary; Restatement (Second) of Agency §1. Thus, Aycock et al. does not teach "independent third party" assessment but at best teaches that an agent acting on behalf of the buying entity conduct the assessment. Even still, wherein on-site auditing were to take place in Aycock et al. (discussed in more detail hereinbelow pertaining to Appellant's claim 1, subsection (d) limitation), same is taught to be

³ Pertaining to the limitation of Appellant's claim 1, subsection (a) requiring "independent third party" assessment.

performed by “the purchasing *agent* and / or *employees / consultants of the buying entity ...*” [Aycock et al., Col. 8, lines 21 – 26], which again establish an agency relationship so that same is standing in the shoes of the buying entity and thus is counteractive to an *independent third party* assessment. That is because in Aycock et al. the evaluation method is based on specific projects, i.e. to determine if a supplier qualifies as a vendor satisfying a *specific* buying entity’s *specific* project needs. Whereas Appellant’s contractor certification system is carried out via a set of standards (put in place by the system) to conclude with a certification which can be utilized by *any* surety institute. Appellant’s system issues an unbiased objective report describing the contractors performance and lender risks, as compared to industry standards. This issued report may be used to increase the confidence level of surety and financial institutions when underwriting bonds and loans. A contractor may use this report as a third party assessment to improve his marketing performance.

Thirdly⁴, Aycock et al.’s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Bladen et al. or The Utah Research Handbook, does not teach assessment means for determining the business and financial practices of a contractor’s practices, comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, current projects, funding, gross margins and close out procedures. Specifically, as per the limitation

⁴ Pertaining to the limitation of Appellant’s claim 1, subsection (a) requiring elements of the business and financial practices uncovered by the survey.

in claim 1, subsection (a) requiring features of the business and financial practice information, the Examiner has further stated the following as basis of rejection:

Further regarding (a), Aycock et al. does not further explicitly disclose assessment means for determining the business and financial practices of a contractor's practices, comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, current projects, funding, gross margins, and close out procedures. [Office Action, page 14].

However, GuruNet is directed to the analogous art of providing survey means for evaluating the business and financial practices of a company, said business practice information comprising management structure (*Questions 42, 43, 52 – 59, 102 of Retail, Questions 29, 30, 92 of Manufacturing, Questions 38, 39, 40, 41 of Wholesale, Questions 37 – 40, 107 – 110 of Service*), reporting structure (*Questions 44, 45, 118, 119 of Retail, Questions 36, 37 of Manufacturing*), internal communications procedures (*Questions 108, 109, 118, 119 of Retail, Questions 33, 116, 117 of Manufacturing, Questions 129, 130 of Service*), safety and labor management practices (*Questions 121, 123 of Retail, Questions 108, 119 of Manufacturing, Questions 71, 74, 97 of Service*), funding (*Questions 76, 78 of Retail, Question 72 of Wholesale, Questions 75, 76 of Service*), gross margins (*Question 87 of Retail*). [Office Action, page 14 - 15].

GuruNet teaches a set of assessment statements given to staff members of a company (*Consider distributing the appropriate list of questions to your staff, have them rate each statement on a scale of 1 – 10, tally up and average the scores, and determine which areas need the most improvement*) [Page 1] that can be used to evaluate the financial practices (*paying bills, collecting receivables, budget analysis, accounting systems, sources of capital, cost efficiency, minimization of costs, cash flow levels*) of a company [Retail Questions 72 – 74, 76 – 89, and 127, Manufacturing Questions 57 – 68, and 123, Wholesale Questions 67 – 83, and 126, Service Questions 71 – 85, 98 – 100 and 138]. [Office Action, page 15].

Aycock et al. is directed towards evaluating the capabilities of potential vendors using on-site audits and questionnaires, while GuruNet is directed towards surveying staff to evaluate the capabilities of a company. Thus, both references relied upon by the Examiner are directed towards interactively evaluating the capabilities of a business. [Office Action dated October 18, 2007, page 16].

Aycock et al. is directed towards evaluating the business practices of potential contractors, whereas GuruNet is applied to any generic business; thus, an artisan of ordinary skill in the art would look to glean

the evaluation methods of GuruNet and Bladen et al. to modify Aycock et al. to yield a more comprehensive means of evaluating the qualifications of potential contractors. Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the teachings of Aycock et al. to include the evaluator statements directed towards business and financial practices presented by GuruNet, because doing so would allow Aycock et al. to evaluate the business and financial practices of a potential contractor, a factor utilized by surety institutions in the surety underwriting process involving the analysis of financial, credit, and organizational capabilities of an organization, with substantial attention paid toward reviewing the contractor's business plan, history of operations, and evaluating the management of the company, thereby yielding a more comprehensive means for evaluating the qualifications of potential contractors, especially since much emphasis is placed on financial strength and past performance of the contractor. [Office Action dated October 18, 2007, page 16].

Furthermore, it has been admitted as prior art that it is old and well known in the art that evaluations of a business can be used for a plurality of applications, such as establishing insurance premiums or loans of credit, and that the surety underwriting process involves the analysis of financial, credit, and organizational capabilities of an organization, with substantial attention paid towards reviewing the contractor's business plan, history of operations, and evaluating the management of the company, with much emphasis being placed on financial strength and past performance of the contractor. Thus, the Examiner asserts that an artisan of ordinary skill in the art would take the financial evaluations of a contractor, as provided by GuruNet, to obtain insurance premiums or establish loans of credit from surety institutions. [Office Action dated October 18, 2007, page 17].

The combined teachings of Aycock et al. and GuruNet do not explicitly teach the step of assessing a contractor's close out procedures. [Office Action dated October 18, 2007, page 17].

However, the Utah Research Handbook teaches the use of closeout procedures (*Projects may require some or all of the following reporting: final technical, final financial, and property inventory for both purchased and government supplied equipment. A closeout may also require the submission of a final invoice and a "Contractor's Release"*) [Paragraph 1]. [Office Action dated October 18, 2007, page 17].

Aycock et al. is directed towards evaluating the capabilities of potential vendors using on-site audits and questionnaires. GuruNet is directed towards surveying staff to evaluate the capabilities of a company. Similarly, Utah Research Handbook outlines routine procedures expected of contractors. Thus, it would have been obvious to one of

ordinary skill in the art at the time of invention to modify the Aycock-GuruNet combination to include closeout procedures as taught by the Utah Research Handbook in the assessment step, because disclosing technical and financial information regarding specific projects in evaluating the fiscal responsibility of contractors, enhances the ability of the Aycock-GuruNet combination to assess the business and financial practices of a contractor. [Office Action dated October 18, 2007, page 17 onto page 18].

GuruNet merely provides a list of statements by which one can self-evaluate their company by distributing same to staff and having the staff answer by rating each statement on a scale of 1 – 10. The statements *do not provide* the type of in-depth information to which a surety would rely upon in extending credit. Management structure type statements provided by GuruNet are vague, for example: (i) Quest. 42 states “we have the management structure and systems in place to provide cost effective, high quality, timely service for our product and services”; (ii) Quest. 43 states “we have a core team in place capable of effectively managing all aspects of our business”; (iii) Quests. 52 – 59 deal with statements concerning management, dealing with problems, recruitment, orientation and training, etc. [GuruNet, questions as cited]. These statements (or questions) are only probative as subjective questions and are vague. They merely assist a business owner in finding weaknesses, and certainly a surety could not possibly utilize answers to such questions to base a multi-million dollar loan upon. Questions in GuruNet are answered on a scale of 1 – 10, and therefore, not only are the questions vague and subjective, but the answers would not provide the degree of information that a lender could rely upon – or any vital information for that fact, except a biased rating anywhere from 1 - 10. Therefore, even if one of ordinary skill in the art at the time of invention were to modify the teachings of Aycock et al. to include the evaluator statements presented by GuruNet same would not yield evaluations

of business and financial practices that could be comfortably utilized by surety institutions in the surety underwriting process. Furthermore, any such acknowledgement Examiner has taken as Official Notice that evaluations of a business can be used for a plurality of applications, such as establishing insurance premiums or loans of credit, and that the surety underwriting process involves the analysis of financial, credit, and organizational capabilities of an organization, *does not change the fact that any combination of the method of Aycock et al. with the statements of GuruNet would not yield* a system that provides an accurate, concise, in-depth assessment of a *building contractor's* business which a surety would rely upon. Moreover, the Official Notice does not establish evaluations of a business as applied by claim 1, in the context of a building contractor's business.

What is more, the Examiner's reliance on The Utah Research Handbook for teaching the step of assessing a contractor's close out procedures where the combined teachings of Aycock et al. and GuruNet do not explicitly teach close out procedures is misplaced. The Utah Research Handbook does not involve a building contractor – or builder – but merely involves government contract awards and as such merely entails the University's handling of closeout procedures, and is not indicative of closeout procedures for building contractors. Thus, any modification of the Aycock-GuruNet combination to include *government contract* closeout procedures taught by the Utah Research Handbook would not enhance the Aycock-GuruNet combination to assess the business and financial practices of a contractor.

Fourthly⁵, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Bladen et al. or The Utah Research Handbook, does not permit providing the survey to selected candidates within a building contractor's business, comprising workers, foremen, project managers, engineers, and principals. The Examiner has stated the following as basis of rejection:

As per (b) providing a questionnaire to selected candidates comprising workers, foremen, project managers, engineers, and principals:

Aycock et al. does not explicitly disclose the job title / role or organizational hierarchical position (workers, foremen, project manager, engineers, and principals) of survey recipients. However, the job title and / or role of survey participants does not affect the structure or manipulative steps associated with conducting a survey and therefore doesn't merit patentable weight. Furthermore, it has been admitted as prior art as a result of improperly and / or untimely challenged Official Notice that it is old and well known in the art to administer surveys/questionnaires to people with sufficient knowledge and authority needed to provide accurate responses. Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the teachings of Aycock et al. to administer surveys/questionnaires to certain workers and management within different levels of the company being evaluated because the resulting combination would provide useful representative information from credible sources familiar with the inner workings of the organization, thereby providing accurate and credible information for the evaluation of said organization. [Office Action dated October 18, 2007, pages 18 – 19].

The evaluation system of Aycock et al. is not given to selected candidates *within* a business, but is given to a user / supplier that desire to be qualified as vendors. [Aycock et al. col. 14, lines 55 – 57].

⁵ Pertaining to the limitation of Appellant's claim 1, subsection (a) requiring "selected candidates" and subsection (b) requiring the "selected candidates" comprise workers, foremen, project managers, engineers, and principals within the building contractor's business.

The Examiner has pointed to “suppliers that desire to be qualified as vendors” teaching appellant’s requirement that “selected candidates” within a contractor’s business be surveyed. Further, the Examiner has stated that GuruNet teaches a set of assessment statements given to staff members of a company [Office Action dated October 18, 2007, page 15, second paragraph]. Suppliers that desire to be qualified as vendors in Aycock et al. are generally not in the same organization, but are suppliers from different companies that fulfill the evaluation in Aycock et al. in hopes of being selected as the winning bidder (i.e. not within the same company, but are essentially competitors). Moreover, in GuruNet, there is no teaching that the assessment statement be given to workers, foremen, project managers, engineers, and principals, within an organization for a full multi-level, multifaceted assessment of the business. GuruNet merely sets forth that the statements vaguely be given to staff members. Such teaching in GuruNet is only derived from the disclosure of Appellant’s own application, as it is novel and unique to apply such a multifaceted financial assessment.

In fact, the Examiner does not have any direct teaching supporting a multifaceted assessment derived from questioning workers, foremen, project managers, engineers, and principals within an organization. Instead, because of lack of this teaching in any of the art applied, the Examiner has relied on a combination of Official Notice “*that it is old and well known in the art to administer surveys/questionnaires to people with sufficient knowledge and authority needed to provide accurate responses*” together with the contention that “*job title and / or role of survey participants does not affect the structure or manipulative steps associated with conducting a survey and therefore doesn’t merit patentable weight.*” [Office Action dated

October 18, 2007, page 18, second full paragraph, second sentence]. However, appellant disagrees.

Applicant *properly* traversed the Examiner's Official Notice (which was set forth in the Examiner's Office Action dated April 5, 2006, page 15) in the Reply submitted by Applicant on June 29, 2006. Specifically, Applicant asserted that none of the references applied nor the art provide multilevel surveying of an organization by pointing out that the references, (Aycock et al., GuruNet) themselves tend to contradict the importance of survey questionnaires to selected candidates within different organizational levels of a contractor's business. In particular, Aycock et al. teaches a self-evaluation system provided to suppliers wherein the suppliers answer objective questions, and their responses are uploaded into an evaluation system so that a supplier maturity level is calculated – different organizational levels may not even be necessary, as what is generally necessary is the individual aware of supplies of certain items. GuruNet teaches a self-evaluation system wherein a list of statements is utilized to evaluate an individual's company in order to determine areas needing improvement. Bladen et al. teaches a method, system, and computer program product for risk assessment and risk management wherein self-evaluation is again utilized. Thus, Applicant clearly argued that the references applied fail to teach the use of different levels, and thus same would not be common knowledge. As such, applicants respectfully requested that the examiner to produce authority for his statement or withdraw the official notice. 37 CFR §1.111(b); *Chevenard*, 139 F.2d at 713, 60 USPQ at 241.

Respectfully, contradictory positions are taken by the Examiner. The Examiner has taken the position that the job title and / or role of survey participant *does not affect the*

structure or manipulative steps associated with conducting a survey and therefore doesn't merit patentable weight – but, in that same paragraph, the Examiner takes *Official Notice that it is old and well known in the art to administer surveys / questionnaires* to people with sufficient knowledge and authority to provide accurate responses. And that, it would be obvious to one of ordinary skill in the art at the time of invention to modify the teachings of Aycock et al. to administer surveys / questionnaires to certain workers and management within different level of the company *because the resulting combination would provide useful representative information ..., thereby providing accurate and credible information for the evaluation of the organization.* [Office Action dated October 18, 2007, page 18 – 19]. How can such a feature not affect the structure or manipulative steps associated with conducting a survey – but at the same time be old and well known in the art to provide useful representative information, accurate and credible for the evaluation of the organization?

Job title and role of participants vastly affects the structure *and* steps associated with conducting a survey – and particularly *vastly affects the function of the survey in that uniquely provides a multifaceted survey approach that goes to the very core and intricacies of a business.* That is to say, the questionnaire is distributed to a full gamut of representative segments of a building contractor's business, including workers, foremen, project managers, engineers, and principals. The requirement that the survey be given to such a wide demographic of the organization is a functional recitation that must be given patentable weight, and which limitation is not present in the references. Having a multifaceted system that uniquely questions the workers, foremen, project manager, engineers and principals is not only functional in giving the questionnaire, but also results in causing the questionnaire to function as a multifaceted

assessment process. Further, the limitation it is not 'printed matter' and is not in any way, inherently or otherwise, disclosed in any of the references. *In re Lowry* (1994, CA FC) 32 F3d 1579, 32 USPQ2d 1031, *reh, en banc, den* (1994, CA FC) 1994 US App LEXIS 36805 (Board erred by denying patentable weight to limitations involving structure of data arrangement in computer memory, which board wrongly analogized to printed matter; and when limitations of claims are fully considered, board erred in rejecting claims on art that fails to suggest particular data structure arrangement).

Even if the Examiner's Official Notice that it is old and well known in the art to administer surveys/questionnaires to people with sufficient knowledge and authority needed to provide accurate responses is considered, it does not establish administration of surveys / questionnaires to a gamut of people at different organizational levels of a building contractor's business. At best such notice only helps to establish that surveys/questionnaires are administered to a person or a group of people at the same organizational level. That is to say, the notice only establishes that a group of workers may be surveyed – or a group of scientists – but such notice does not establish simultaneously orchestrating a questionnaire to a plethora of groups or people of different organizational levels as is required by Appellant's claim 1(b).

Appellant's claims require that the selected candidates comprise workers, foremen, project managers, engineers, and principals, thus resulting in a system wherein individuals at a plethora of different organizational levels of the contractor's business are questioned. Compiling the answers from these different candidates provides a survey that examines every level and aspect of the contractor's business and financial practices, functioning to uniquely derive a full gamut of expertise by questioning all levels within the contractor's

business. This multifaceted approach is not disclosed or taught in Aycock et al., GuruNet, Bladen et al., or The Utah Handbook, either alone or in combination, and is a functional recitation that carries patentable weight.

Appellant's contractor certification system clearly goes beyond any system that would result from the combination of Aycock et al. with GuruNet, Bladen et al. and / or The Utah Research Handbook, and any current surety analysis because it uniquely combines performance evaluations by qualified individuals experienced in the construction industry with construction financial analysis (different from standard financial analysis because of evaluation of current work in process, including evaluation of future project profitability). Skills to determine financial analysis of contractors working process requires special skills and education on the part of the CPA as well as the analyst. Those special skills are not "ordinary". Further, the job title and responsibility of the person interviewed is important because it affects the knowledge and technical capabilities as well as the authority to control or implement change on the project. Regarding the surety process or the application of Aycock et al, GuruNet, Bladen et al. and The Utah Research Handbook, the "ordinary skill", particularly in the credit and surety extension process, if this were possible, then the results of the surety industry would not have produced billions of losses over the last several years. Arguably their process does not accurately measure the risk and provide a clear risk analysis that is sufficient to protect the surety or credit extender from experiencing severe financial losses that has forced many sureties out of the business.

Fifthly⁶, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Bladen et al. or The Utah Research Handbook, fails to teach a system that *automatically* incorporates on-location and fails to teach *on-location visits to several active job sites* which a building contractor is involved. The Examiner has stated the following as basis of rejection:

As per limitation (d), the combined teachings of Aycock et al., GuruNet, and The Utah Research Handbook fail to teach the step of on-location assessment visiting several active job sites at which a contractor is involved.

However, Bladen et al. teaches conducting on-location assessments where several active job sites at which a contractor is involved are visited (A client refers to a company or other organization. A client can then, in turn contain multiple sites; Each client can have one or more sites; An environmental health consultant or regulatory official conducting an audit or setting up an audit for a company comprising many sites can access all the audit information for the entire company all at once {thus, audit information collected for each of a plurality sites of a company are considered when conducting or setting up an audit for a company}) [paragraphs 122, 250, 257].

Aycock et al. and GuruNet are directed to the analogous art of providing survey means for evaluating the business and financial practices of a company. The Utah Research Handbook outlines routine procedures expected of contractors. Bladen et al. is directed to the analogous art of assessing the risk of an organization based on an audit comprising a set of questions, criteria and / or other measurable; therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the teachings of the Aycock-GuruNet-Utah Research Handbook to visit multiple job sites at which a contractor is involved, because doing so would allow the GuruNet-Utah Research Handbook combination provide a comprehensive evaluation of a contractor's practices at all sites at which said contractor is involved, thereby allowing comparison between audits performed at various points in time for an entity or

⁶ Pertaining to the limitation of Appellant's claim 1, subsection (d) requiring "on-location assessment means" for determining business and financial practices at the contractor's operations, the assessment means comprising asking questions to each of the candidates selected through the mapping means and observing examples of the contractor's business practices and financial procedures, the assessment means further comprising visiting several active job sites at which the contractor is involved.

comparison of different entities' risk assessment, as taught by Bladen et al. [Paragraph 107].

The combined teachings of Aycock et al., GuruNet, and The Utah Research Handbook fail to teach the step of automatic on-location visitations. Aycock et al. only provides for on-location assessment or tier 2 analyses (on-site supplier audit) based on contingencies, including *if* a supplier is *not approved* but meets a minimum maturity level (step 26) or *if an automatic approval cannot be made*, and as such on-location visits are not automatically appointed for carrying out. [Aycock et al., Col. 7, lines 38 – 43]. If the minimum maturity level is step 26 is not met, the supplier is *automatically rejected* as a vendor and *no tier 2 analysis is carried out*. [Aycock et al., Col. 7, lines 43 – 45]. Aycock et al.'s on-location assessment is *only* carried out when a supplier meets the minimum maturity level and an interim decision has been made refusing to automatically approve the supplier – therefore, the on-location assessment is not carried out under two circumstances: (i) if the supplier fails to meet the minimum maturity level and is automatically rejected; or (ii) if the supplier meets the minimum maturity level but an interim decision is made to *automatically approve* the supplier. [Aycock et al., Col. 7, lines 38 – 65; Fig. 1 callouts 26, 30, 32, 34 and 36]. Therefore, where the supplier's answers are incorrect, exaggerated, or otherwise misguided, and the supplier is approved, the on-location assessment is not performed to verify and otherwise confirm the answers. Although Aycock et al. does state that where the supplier is a regular and established vendor for other projects, and has an excellent historical vendor performance to suggest that the supplier response are accurate and the supplier would be reliable, such automatic approval is given, such application would not be as reliable in building contracting. [Aycock et al., Col. 46 – 54]. Because financial

deterioration of a building contractor is frequently visible at the very late stages and building contractors are challenged with changing conditions, including elements that are unknown and must be dealt with that are outside the terms and conditions of a specific job or actual conditions known or specifications proposed, such reliance and automatic approval could be risky.

Further, the combined teachings of Aycock et al., GuruNet, and The Utah Research Handbook fail to teach the step of automatic on-location assessment *visiting several active job sites at which a contractor is involved*. Bladen et al. *does not teach on-location visiting of a building contractor's active job sites*, rather at best Bladen et al. teaches audit system architecture wherein a client can have one or more sites, and site-specific assessment files are generated for risks associated with discipline assessments. [Bladen et al., paragraph 0121, 0122]. Disciplines may include such specific assessments as questions that are structured to identify issues and assess compliance with statutes, rules, regulations, best practices, and other duties of care relevant to the specific discipline. [Bladen et al, paragraph 0119]. In practice, the architecture of Bladen et al. *allows a user quick and easy access to all audit data pertaining to all sites*, so that an environmental health consultant or regulatory official conducting an audit or setting up an audit for a company comprising many sites *can access all the audit information for the entire company all at once* allowing for more efficient creation and performance of an audit. [Bladen et al., paragraph 0250]. Sites are not necessarily active job sites, but may be interpreted as satellite offices of a company, as a client refers to a company or other organization, and large companies or organizations generally have satellite offices appending from their principal place of business. There is no indication that sites is further defined as where a company is performing work or services – rather one may interpret same as merely including *business office locations*.

For example, wherein an accounting company is under audit, the auditor will not actually go to active business where the accounting company is carrying out their service, but rather the auditor would go to *office locations* of the accounting company. Thus, any combination of Aycock et al. with GuruNet, Bladen et al. or The Utah Research Handbook, fails to teach a system that *automatically* incorporates on-location and fails to teach *on-location visits to several active job sites* which a building contractor is involved.

Sixthly⁷, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Bladen et al. or The Utah Research Handbook, fails to teach a system wherein comparison means for assessing business and financial practices, and ranking the contractor in comparison with industry standards. The Examiner has stated the following as basis of rejection, cited in part (also cited hereinabove on page 25), but recited herein below for convenience:

(e) comparison means (*risk assessment*) for assessing business practices (*technical capabilities*), and ranking the contractor in comparison with industry standards {the supplier quality maturity assessment process is based upon national and international standards including ISO 9001/ISO 9000-3, which are industry standards for quality} [Column 8, lines 58 – 63]; and

Risk assessment of technical capabilities, as provided for in Aycock et al., does not provide the steps of comparison means for assessing business practices followed by ranking in comparison with industry standards, as defined by Appellant's specification. Risk assessment in Aycock et al. takes place only *after* the supplier is determined to meet the minimum maturity level; and there is no indication that a ranking in

⁷ Pertaining to the limitation of Appellant's claim 1, subsection (e) requiring comparison means for assessing business and financial practices, and ranking the contractor in comparison with industry standards.

comparison with industry standards results, but instead a selection results. Either the supplier meets the minimum maturity level or does not –the maturity level is set at various levels (a level 2 for repeatable process or a level 3 for standardized process) [Aycock et al., Col. 7, lines 37 – 45]. In Aycock et al. the supplier enters information and receives the maturity level, then from there any risk assessment applied compares the technical capabilities and price to *supplier's maturity level* (i.e. compares to the relative risk as to success which is determined by the supplier's maturity level). [Aycock et al., Col. 8, lines 55 – 65]. Thus, in Aycock et al. any ranking (i.e. if maturity level is considered the ranking) comes before and is utilized in the risk assessment. Conversely, in Appellant's system, a comparison means is carried out assessing the business practices and from that a comparison with "industry standards" takes place and a final ranking results – the ranking in Appellant's system is not utilized in the comparison means, but is resultant from the comparison means.

Seventhly⁸, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Bladen et al. or The Utah Research Handbook, fails to teach a system wherein reporting means comprising generation of a comparative report that provides a listing of key risk factors and highlights business and financial practices and risk factors of the contractor is provided. Particularly, none of the references, alone or in combination, teach risk factors comprising operational structure,

⁸ Pertaining to the limitation of Appellant's claim 1, subsection (f) requiring reporting means for providing a grade indicative of the contractor's rank, the reporting means further comprising generation of a comparative report that provides a listing of key risk factors and highlights the business and financial practices and risk factors of the contractor in comparison of the risk factors, the risk factors comprising the operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation.

marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation information. The Examiner has stated the following as basis of rejection (in combination with Aycock et al. cited on page 25 herein above):

Aycock et al. does not explicitly teach (f): said reporting means further comprising generation of a comparative report that provides a listing of key risk factors and highlights said business and financial practices and risk factors of said contractor in comparison of said risk factors, said risk factors comprising said operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation.

However, GuruNet teaches the step of collecting information regarding operational structure (*Questions 42, 43, 52 – 59, 102 of Retail, Questions 29, 30, 92 of Manufacturing, Questions 38, 39, 40, 41 of Wholesale, Questions 37 – 40, 107 – 110 of Service*), marketing of new projects, current projects, details of project execution, and project administration (*Question 44, 45, 46, 47, 48, of Retail relating to delegation of responsibilities and authority, the existence of standard written operating procedures, planning and implementation monitoring of activities, timely completion of operations and projects, Questions 36, 37 of Manufacturing*).

Aycock et al. is directed towards evaluating the capabilities of potential vendors using on-site audits and questionnaires, while GuruNet is directed towards surveying staff to evaluate the capabilities of a company. Thus, both references relied upon by the Examiner are directed towards interactively evaluating the capabilities of a business. Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the teachings of Aycock et al. to include collected information regarding a contractor's operational structure, marketing of new projects, current projects, details of project execution, and project administration in a comparative report, because doing so would further enhance the ability of Aycock et al. to evaluate the business and financial practices of a potential contractor, a factor utilized by surety institutions in the surety underwriting process involving the analysis of financial, credit, and organizational capabilities of an organization, with substantial attention paid towards reviewing the contractor's business plan, history of operations, and evaluating the management of the company, thereby yielding a more comprehensive means of evaluating the qualifications of potential contractors, especially

since much emphasis is placed on financial strength and past performance of the contractor.

Further, although not explicitly taught by the Aycock-GuruNet combination, Bladen et al. teaches comparative audit reports (Audit module 234 contains all of the functionality associated with performing audits including the creation of external audits reports including scores and analysis and the listing of standards against which audits are taken; The Standards menu lists the standard that the site was marked against) [Paragraphs 280, 383, 597 – 621, Figures 8I, 8J] based on information collected in the assessment of a contractor's business and financial practices {The report in Figure 8J includes the audit, standard answers and actions, training, and examination results} highlighting the business and financial practices and risk factors of a contractor, said risk factors comprising marketing of new procedures (in an embodiment, step 746 includes performing an initial audit and generating periodic procedures and / or instructions to be performed over a period of time) [Paragraph 148], safety procedures and statutory compliance {compliance to The Food Safety (General Food Hygiene) Regulations 1995} [Figure 8E].

Aycock et al. and GuruNet are directed to the analogous art of providing survey means for evaluating the business and financial practices of a company. Bladen et al. is directed to the analogous art of assessing the risk of an organization based on an audit comprising a set of questions, criteria and / or other measurable; therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the reporting means of Aycock et al. to include a comparative report including marketing of new procedures, safety procedures and statutory compliance, because doing so would allow the Aycock-GuruNet combination to provide a comprehensive evaluation of a contractor's practices, thereby allowing benchmark comparisons between audits performed at various points in time for an entity or comparison of different entities' risk assessment, as taught by Bladen et al. [Paragraph 107].

The Aycock-GuruNet-Bladen-Utah Research Handbook combination does not explicitly disclose mediation / arbitration procedures and past litigation.

However, Official Notice is taken that disclosing a company's past legal history in assessing risk for underwriting a loan to said company is old and well known in the art. For example, a litigation history along with the decisions and monies awarded / paid as a result of settlement / mediation / arbitration may be disclosed in the financial accountings of said company. Thus, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the combined teachings of Aycock-GuruNet-Bladen-Utah Research Handbook to include the step

of disclosing mediation / arbitration procedures and past litigation, because doing so would further enhance the ability of Aycock et al. to evaluate the business and financial practices of a potential contractor, a factor utilized by surety institutions in the surety underwriting process involving the analysis of financial, credit, and organizational capabilities of an organization, with substantial attention paid towards reviewing the contractor's business plan, history of operations, and evaluating the management of the company, thereby yielding a more comprehensive means of evaluating the qualifications of potential contractors, especially since much emphasis is placed on financial strength and past performance of the contractor.

Any information collected by the statements taught by GuruNet would not be substantial enough or function to render information for which a surety can rely upon. The questions merely provide blanket statements and do not render detailed answers. As discussed hereinabove, the responses are based on a scale from 1 – 10 and do not provide or inquiry into any specific information. Even still, GuruNet does not teach listing of key risk factors comprising operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation. Questions relied upon by the Examiner, regarding operational structure, marketing of new projects, current projects, details of project execution, and project administration are not probative for specific information. GuruNet will not provide the lender with dynamic information (financial or operational) that reduces or affects the Risk or its analysis perimeters.

Even if the Examiner's Official Notice⁹ is taken as prior art that disclosing a company's past legal history in assessing risk for underwriting a loan, the combination of Aycock et al., GuruNet, Bladen et al., The Utah Research Handbook, and the Official Notice would still fail to teach key risk factors comprising all the elements including safety procedures and statutory compliance as is required by Appellant's subsection (f). Further, *past legal history* may encompass past litigation – which is a public

⁹ Third Official Notice taken by the Examiner to support the obviousness rejection of Appellant's independent claim.

matter – but “past legal history” would *fail to encompass ongoing or current mediation / arbitration procedures*, which procedures are generally held as confidential matters not privy to public information, and a settlement has not yet been achieved to be listed on a company’s accounting books.

None of Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook, alone or in combination, teach or suggest all the claim limitations of the contractor certification system of claim 1, and any such teaching or suggesting to make the claimed combination and the reasonable expectation of success is not found in the prior art but is based on applicant’s disclosure. Appellant’s system provides technical and financial analysis (construction industry specific) that allows a lender or surety to determine that amount of risk they will be assuming by extending credit to this contractor. Neither, Aycock et al., Bladen et al., GuruNet nor The Utah Handbook, either alone or in combination, will provide the artisan of ordinary skill in the art with the type and technical information necessary to make a determination about risk to be assumed by extending unsecured credit. Sureties assume the Risk of TOTAL Loss, and at times, the obligation to perform in lieu of the contractor. Nowhere do Aycock et al., Bladen et al., GuruNet or The Utah Handbook, either alone or in combination, provide the necessary technical expertise to assist the surety with construction specific information to assume that type of risk. No banks or sureties possess the internal expertise to evaluate the on-going capabilities of the contractor; they do not have contractor types on their payroll. The process of Appellant’s certification system does. The complete analysis must be conducted so as to provide the lender with current and future performance capabilities.

The contractor certification system has uniquely addressed the problems associated with surety risks in the construction industry and has uniquely created a measuring assessment technique that provides a clear, objective and professional approach to the evaluation of a building contractor's business.

b. Independent claim 1 meets the conditions for patentability because motivation for the proposed medication of Aycock et al. in combination with GuruNet, Bladen et al. and /or the Utah Research Handbook, disclosures has not been established.

The Examiner has also admitted that Aycock et al. does not disclose assessment means for determining the business and financial practices of a contractor's practices, comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, current projects, funding, gross margins, and close out procedures. But further contends that it would have been obvious to one having ordinary skill in the art to utilize the statements of GuruNet. Yet any combination of Aycock et al. with GuruNet would render Aycock et al. inoperable for its intended purpose because Aycock et al. is to be an objective analysis – not subjective – and GuruNet's statements are taught for subjective analysis. Specifically, Aycock et al. provides that there "is a need to provide a system that enables a more objective analysis for evaluating supplier capabilities to qualify as a supplier as a vendor for a projected – providing objective criteria for selecting a vendor as opposed to subjective evaluation of supplier responses. [Aycock et al., Col. 2, lines 38 – 55]. Whereas GuruNet teaches a list of statement by

which one can evaluate their company – as a self-assessment or subjective assessment. [GuruNet, introductory paragraph]. Were to be combined to use the statements in GuruNet, it would render the Aycock et al. system inoperable for its intended function – to provide objective analysis based on technical requirements.

However, the inclusion of the subjective statements and self-scored responses by Aycock et al. in view of GuruNet would require a substantial reconstruction and redesign of the objective scaling or evaluation required by Aycock et al. as well as change in the basic principle under which the Aycock et al. method was designed to operate and therefore the teachings of the references are not sufficient to render applicant's claims obvious. *In re Ratti*, 123 USPQ 349, 352 (CCPA 1959). In particular, the inclusion of the subjective scaling of GuruNet would disrupt the “assigning a scaled score for each of said supplier responses” feature of Aycock et al. and be in direct odds with the “assigning a scaled score for each of said supplier responses” feature of Aycock et al.

The very nature of the statements of GuruNet would render the Aycock et al. reference's supplier evaluation system unsatisfactory for its intended purpose, that being to establish a supplier's capability to be a vendor. Evaluation questions in Aycock et al. are derived from a master set of supplier quality process maturity requirements applied to requirement to a request for proposal / request for quotation issued by the buying entity (RFP/RFQ). [Aycock et al., Col. 5, lines 13 – 40]. The statements in GuruNet are not derived from known standards and are not derived from buyer requirements for given projects, but are mere statements that do not elicit information needed to establish a supplier's ability to be a vendor, much less the ability to predicate surety risk. In the present instance, appellant maintains that a person of

ordinary skill in the art would indubitably recognize that it would be impossible to substitute the statements in GuruNet for the RFP/RFQ / proposal request in Aycock et al. The Examiner has not pointed to any reasonable motivation for changing the questions of Aycock et al., apart from hindsight afforded by the present application. Even if Aycock et al. and GuruNet were combined, the combination *would not* result in the level of questioning involved to assess a building contractor's financial and business practices for securing lines of credit.

The Federal Circuit has consistently held that obviousness cannot be predicated merely on finding the recited elements in a single reference or a combination of references. *Symbol Technologies, Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1576, 19 USPQ2d 1241, (Fed. Cir. 1991) ["We do not 'pick and choose among the individual elements of assorted prior art references to recreate the claimed invention,' but rather, we look for 'some teaching or suggestion in the reference to support their use in the particular claimed combination.'"], quoting *Smithkline Diagnostics, Inc. v. Helena Laboratories Corp.*, 859 F.2d 878, 887, 8 USPQ2d 1468, 1475 (Fed. Cir. 1988)].

Applicant respectfully maintains that the Examiner has not adduced any evidence, whether in Aycock et al. itself or elsewhere, that establishes motivation for a skilled artisan to make the particular combinations of elements, configured in the manner delineated by the present claims and performing even similar functions, including claim 1. It is thus submitted that the motivation proposed by the Examiner is improper as being a hindsight reconstruction under the test of *In re Rouffet*, 149 F.3d 1350, 1357, 47 USPQ 2d 1453, 1457 (Fed. Cir. 1998):

“. . . ‘virtually all [inventions] are combinations of old elements.’ *Environmental Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed. Cir. 1983); *see also Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed. Cir. 1983) (‘Most, if not all, inventions are combinations and mostly of old elements.’). Therefore an examiner may often find every element of a claimed invention in the prior art. If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be ‘an illogical and inappropriate process by which to determine patentability.’” *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570, 38 USPQ 2d 1551, 1554 (Fed. Cir. 1996).

The court has articulated a similar warning in *In re Kotzab*, 55 USPQ 2d 1313, 1318 (Fed. Cir. 2000):

“Further, a rejection cannot be predicated on the mere identification in [the reference] of individual components of claimed limitations. Rather, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed.”

It is respectfully submitted that the Examiner has not provided any motivation to re-configure Aycock et al. so that it could carry out the function of providing contractor certification for surety lending delineated by claim 1, apart from the hindsight of the present specification and claims. Specifically, there is no motivation to re-configure Aycock et al. to include that which it fails to teach, including: (i) the nature of the questions asked to include financial and business practices; (ii) asking the questions to select candidates in a gamut of organizational levels; (iii) on-location assessments visits to active job sites; (iv) reporting means; (v) comparative reports; and (vi) mediation/arbitration and past litigation disclosures. The

need for such a substantial reconstruction is submitted to negate any finding of obviousness. *In re Ratti*, 270 F2d 810, 123 USPQ 349 (C.C.P.A. 1959).

Accordingly, it is submitted that no motivation for the combination of Aycock et al. with GuruNet, Bladen et al. and /or the Utah Research Handbook in the manners proposed by the Examiner has been provided; that such lack of motivation nullifies the propriety of the present rejection.

**c. Independent claim 1 meets the conditions for patentability
because Aycock et al., GuruNet, Bladen et al. and the Utah
Research Handbook are non-analogous art.**

Aycock et al. is directed specifically to a system for providing interactive evaluation of supplier's ability to qualify as a vendor analyzing technical ability and quality, GuruNet discloses a list of statements by which a business owner can evaluate his / her company. Bladen et al. discloses a system, method and computer program product for risk assessment and interactive risk management. Utah Research Handbook Reference discloses award management for government contractors. Whereas Applicant's claims relate to a contractor certification system that assess business practice and financial information of a building contractor for assessing risks predicated in the construction business for surety lending.

Appellant respectfully submits that the evaluation system of Aycock et al., and techniques, as well as the statement in GuruNet, the computer program product of Bladen et al., and the government contract synopsis of The Utah Research Handbook

are so disparate that a skilled artisan would not be motivated to consider the Fisher et al. disclosure as pertinent to the particular problems of surety lending to building contractors art of the type delineated by claims 1 -2 and 4 – 13. Accordingly, it is submitted that Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook, or any combination thereof, is not properly considered to be analogous art, precluding their use in the present rejection.

Conclusion

In view of the foregoing remarks, it is submitted that present claim 1 patentably defines over Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook. Accordingly, reversal of the rejection of claim 1 under 35 USC §103(a) over Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook is respectfully requested.

2. Dependent claims 2, 7 and 8 meet the conditions for patentability because neither Aycock et al. nor GuruNet, alone or in combination, disclose or suggest the a contract certification system of claim 1, let alone the preferred contract certification system of claims 2, 7 and 8 which depend from claim 1.

Further with respect to claims 2, 7 and 8, the Examiner has provided the following statements of rejection:

As per claim 2, although not taught by Aycock et al., GuruNet teaches a contractor certification (company evaluation) system with a questionnaire (list of

statements) composed of non-threatening (objective) questions.(Office Action of October 18, 2007, page 24, first full paragraph).

As per claim 7, the teachings of Aycock et al. fail to disclose the composition of the administered questionnaire. However, GuruNet teaches a series of business evaluation statements that comprise questions directed to organizational aspects with particular reference to management structure [Retail Questions 42, 43, 52 – 59, 89], authority delegation [Retail Questions 44 – 45, Manufacturing Question 92, and Wholesale questions 40 – 41], and decision-making practices [Retail Questions 49, Manufacturing Questions 31 and 37, Service Questions 39 – 40]...(Office Action of October 18, 2007, page 27, first full paragraph).

As per claim 8, the teachings of Aycock et al. fail to disclose the composition of the administered questionnaire. However, GuruNet teaches a series of business evaluation statements that comprises questions directed to managerial aspects within particular reference to marketing [Retail Questions 1 – 4 and 6 – 13, 114 – 117, 132, Manufacturing Questions 3, 7, 9 – 10, 12, 112 – 114, Wholesale Questions 1 – 11, 12, 115 – 117, and Service Questions 2 – 8, 10 – 12, and 125 – 127]. (Office Action of October 18, 2007, page 28, first full paragraph).

Although GuruNet does not teach any questions regarding a company's bidding process and project execution practice, it has been admitted as prior art as a result of improperly and / or untimely challenged Official Notice that it is old and well known in the art that these measures are vital components to defining a company's management practices and an evaluation of these practices would be needed to formulate a comprehensive assessment that can be used to compare the company with other companies. (Office Action of October 18, 2007, page 28, second full paragraph).

Applicants respectfully submit that claims 2, 7 and 8 are patentable for at least the same reasons as claim 1, from which they depend, and that the foregoing statement does not cure the lack of disclosure or suggestion of the subject matter of claim 1, as set forth hereinabove.

Application of the combination of Aycock et al. with GuruNet would not provide a system capable of determining surety lending risks for a building contractor's business. Regarding claim 8, the Examiner has stated that Official Notice is taken that questions regarding a company's bidding process and project execution practice are vital

components in defining a company's management practices and an evaluation of these practices would be needed to formulate a comprehensive assessment that can be used to compare the company with other companies is respectfully traversed by applicants. Applicant had challenged the Official Notice in the Response filed on March 15, 2005 in response to the Office Action dated June 15, 2005, which was the Examiner's first notice of the particular Official Notice.

Applicant had argued that up until the time of applicant's invention no method capable of evaluating a contractor's business and financial practices in an accurate, efficient, unbiased highly reliable manner utilizing questions directed to management practices, with particular reference to marketing, bidding processes, and project execution practices has been proposed by any prior art works, including Aycock et al., GuruNet, or Bladen et al. The prior art inventions and their attendant disadvantages are discussed at pages 1 – 12 of the specification. As such, applicants respectfully request that the examiner to produce authority for his statement. 37 CFR §1.111(b); *Chevenard*, 139 F.2d at 713, 60 USPQ at 241; TMEP 2144.03 subsection C. Under 2144.03 to adequately traverse a finding of Official Notice, an applicant must specifically point out the supposed errors in the examiner's action, and state why the noticed fact is not considered to be common knowledge. Applicant specifically pointed out the error – that up until the time of applicant's invention no method capable of evaluating a contractor's business and financial practices in an accurate, efficient, unbiased highly reliable manner utilizing questions directed to management practices, with particular reference to marketing, bidding processes, and project execution practices. And further, Applicant pointed out why the noticed fact is not common knowledge – that being that such practices concerning marketing, bidding processes, and project execution practices have not been proposed by any prior art works,

including Aycock et al., GuruNet, or Bladen et al., and pointed to prior art inventions and their attendant disadvantages discussed at pages 1 – 12 of the specification.

The Examiner stated in the following Office Action dated December 14, 2005, that the traverse was inadequate, without including an explanation as to *why* it was inadequate as required under MPEP 2144.03C. Thus, the Examiner's finding of inadequacy of Applicant's traversing of the Official Notice was in itself inadequate.

In any event, even with the application of the Official Notice as against claim 8, the combination of references would still fail to provide a contractor certification system as delineated by claims 2, 7 and 8, as these claims depend from independent claim 1, which is patentable for the aforementioned reasons.

Conclusion

In view of the foregoing remarks, it is submitted that present claims 2, 7 and 8 patentably define over the Aycock et al. in combination with GuruNet, Bladen et al. and The Utah Research Handbook. Accordingly, reversal of the rejection of claims 2, 7 and 8 under 35 USC §103(a) over Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook is respectfully requested.

3. Dependent claims 4, 5 and 9 meet the conditions for patentability because neither Aycock et al. nor GuruNet, alone or in combination, disclose or suggest the a contract certification system of claim 1, let alone the preferred contract certification system of claims 4, 5 and 9 which depend from claim 1.

Further with respect to claims 4, 5 and 9, the Examiner has provided the following statements of rejection:

As per claim 4, Aycock et al. teaches a contractor certification (supplier evaluation) system where the on-location (on-site) assessments (evaluations) comprise job site visits (on-site audit) [Col. 3, lines 36 and Col. 8, lines 20 – 24]. (Office Action of October 18, 2007, page 25, second full paragraph).

As per claim 5, Aycock et al. teaches a contractor certification (supplier evaluation) system where the comparison means comprises an evaluation of the contractor's business practice data against one or more databases containing performance and risk factor data from similar contractors (existing and historical vendor performance and on-site audit reports), stored by the contractor certification (supplier evaluation) system [Col. 9, lines 38 – 57]. (Office Action of October 18, 2007, page 25, third full paragraph).

As per claim 9, Aycock et al. teaches a contractor certification (supplier evaluation) system as recited by claim 5, where the database (vendor database) stored comprises a compilation of business and financial and risk data derived from contractors previously evaluation (existing and historical vendor performance or on-site audit reports)[Col. 9, lines 38 – 57]. (Office Action of October 18, 2007, page 29, first full paragraph).

Applicants respectfully submit that claims 4, 5 and 9 are patentable for at least the same reasons as claim 1, from which they depend, and that the foregoing statement does not cure the lack of disclosure or suggestion of the subject matter of claim 1, as set forth hereinabove.

Aycock et al., as argued hereinabove in Section A, 1, a, does teach a contractor certification system where the on-location assessments comprise job site visits, for the reasons stated in the aforementioned section above. Moreover, Aycock et al., as argued hereinabove in Section A, 1, a, does teach a contractor certification system where the comparison means comprises an evaluation of the contractor's business practice data against one or more databases containing performance and risk factor data from similar contractors, stored by the contractor certification as Aycock et al., and any combination thereof does not teach evaluation of a building contractor. Lastly, Aycock et al. does not teach or suggest a database that stores a compilation of business and financial and risk data derived from contractors previously evaluation because Aycock et al. does not teach or disclose such evaluation, as is argued hereinabove in Section A.

Conclusion

In view of the foregoing remarks, it is submitted that present claims 4, 5 and 9 patentably define over the Aycock et al. in combination with GuruNet, Bladen et al. and The Utah Research Handbook. Accordingly, reversal of the rejection of claims 4, 5 and 9 under 35 USC §103(a) over Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook is respectfully requested.

(B) Whether claim 6, 10, and 11 – 13 should be rejected under 35 U.S.C. §103(a) as being unpatentable over Official Notice taken by the Examiner where the limitations of the dependent claims are not taught or

suggested in Aycock et al., in view of GuruNet, further in view of Bladen et al. and The Utah Research Handbook.

1. Dependent claims 6, 10, and 11 meet the conditions for patentability because none of Aycock et al., GuruNet and Bladen et al., and The Utah Research Handbook, alone or in combination, disclose or suggest the a contract certification system of claim 1, let alone the preferred contract certification system of claim 6, 10, and 11 which depend from claim 1.

Further with respect to claims 6, 10 and 11, the Examiner has provided the following statements of rejection:

As per claim 6, the combined teachings of Aycock et al., GuruNet, and Bladen et al. are silent regarding the use of a special logo or insignia to represent the caliber of a contractor's work or the successful completion of the certification program. However, it has been admitted as prior art as a result of improperly and / or untimely challenged Official Notice that the concept of providing for a display that recognizes that a contractor's services exceed industry standards is old and well known in the art. It has also been admitted as prior art as a result of improperly and / or untimely challenged Official Notice that it is old and well known in the art that contractors who receive recognition or certification would adapt it for use in promotion of their business, whether it be stationary, the company website, or other mediums of advertising. (Office Action of October 18, 2007, page 25, last paragraph, onto page 26).

It has also been admitted as prior art as a result of improperly and / or untimely challenged Official Notice that it is old and well known in the art that when a contractor (or any firm) subjects itself to assessment, evaluation, or certification, the firm will receive some sort of notification (usually in written form) regarding their performance. This notification will entail the findings of the assessment, evaluation, or certification, and can be used by surety institutions in underwriting loans to the contractor. (Office Action of October 18, 2007, page 26).

As per claim 10, Aycock et al. teaches a contractor certification (supplier evaluation) system as recited by claim 6, where the comparison report (vendor performance report) sets forth said contractor's business practices (vendor

performance and on-site audit reports) with detail sufficient to assist surety institutions engaged in underwriting a contractor's credit line. [Col. 9, lines 38 – 57]. (Office Action of October 18, 2007, page 29, second full paragraph).

Claim 11 recites limitations already addressed by the rejection of claim 6 above; therefore the same rejection applies. (Office Action of October 18, 2007, page 29, third full paragraph).

Applicants respectfully submit that claims 6, 10 and 11 are patentable for at least the same reasons as claim 1, from which they depend, and that the foregoing statement does not cure the lack of disclosure or suggestion of the subject matter of claim 1, as set forth hereinabove.

Application of Aycock et al., alone or in combination with the art applied, would not provide a system capable of determining surety lending risks for a building contractor's business. However, the Examiner's assertions of fact are not appropriate basis of Official Notice because the facts asserted by the Examiner are not capable of instant and unquestionable demonstration. In *limited circumstances*, it is appropriate for an examiner to take official notice of facts not in the record or to rely on "common knowledge" in making a rejection; however, such rejections should be judiciously applied. MPEP 2144.03. While "official notice" may be relied on, these circumstances should be rare when an application is under final rejection, as is the case herein. MPEP 2144.03(A).

Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. MPEP 2144.03(A). It is not appropriate for an examiner to take official notice of facts without citing a prior art

reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well known. MPEP 2144.03(A). Moreover, it is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. MPEP 2144.03(A).

Sole reliance on the Official Notice has resulted in the rejection of the preferred embodiments of both claims 6 and claim 11 as the Examiner concisely states that the combined teachings of Aycock et al., GuruNet, and Bladen et al. are silent regarding the use of a special logo or insignia. . Therefore, the Examiner's sole reliance acts as the sole, principal evidence upon which the rejections to claims 6 and 11 were based, and as such the rejections are not appropriate.

Up until the time of applicant's invention no method capable of evaluating a contractor's business and financial practices in an accurate, efficient, unbiased highly reliable manner has been provided that uniquely yields a report with a unique, easy to read and decipher logo and insignia directed to the certification system's results. Such a report with a logo has not been proposed by any prior art works, including those of Aycock et al., GuruNet, and Bladen et al., or The Utah Research Handbook.

Conclusion

In view of the foregoing remarks, it is submitted that present claims 6, 10 and 11 patentably define over the Aycock et al., alone or in combination with GuruNet, Bladen et al. and The Utah Research Handbook references. Accordingly, reversal of the

rejection of claims 6, 10 and 11 under 35 USC §103(a) over Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook is respectfully requested.

2. Dependent claims 12 and 13 meet the conditions for patentability because neither Aycock et al., GuruNet, nor Bladen et al., alone or in combination, disclose or suggest the a contract certification system of claim 1, let alone the preferred contract certification system of claims 12 and 13 which depend from claim 1.

Further with respect to claims 12 and 13, the Examiner has provided the following statements of rejection:

As per claim 12, neither Aycock et al., GuruNet, nor Bladen et al. explicitly teach a contractor certification system as recited by claim 1, wherein said reporting means is provided to lending institutions for determining an amount of credit to extend to said contractor's business. (Office Action of October 18, 2007, page 29, last paragraph onto page 30).

However, it has been admitted as prior art, as a result of untimely and / or improperly challenged Official Notice, that it is an old and well-known fact that evaluations of a business (including financial and business practices) can be used for a plurality of applications, such as establishing insurance premiums or loans of credit. The surety underwriting process involves the analysis of financial, credit, and organizational capabilities of an organization, with substantial attention paid towards reviewing the contractor's business plan, history of operations, and evaluating the management of the company. Much emphasis is placed on financial strength and past performance of the contractor. (Office Action of October 18, 2007, page 30, first full paragraph).

As per claim 13, neither Aycock et al., GuruNet, nor Bladen et al. explicitly teaches a contractor certification system as recited by claim 1 that is repeated annually.

However, it has been admitted as prior art, as a result of untimely and / or improperly challenged Official Notice, that it is an old and well-known fact that certifications are not indefinitely earned, but rather are distinctions of accomplishment over a specific period of time that become invalid and require

renewal after a predetermined period of time. ... (Office Action of October 18, 2007, page 31).

Applicants respectfully submit that claims 12 and 13 are patentable for at least the same reasons as claim 1, from which they depend, and that the foregoing statement does not cure the lack of disclosure or suggestion of the subject matter of claim 1, as set forth hereinabove.

Regarding claims 12 and 13, the Official Notices were first taken in the Office Action dated December 14, 2005, including: (i) that evaluations of a business can be used for a plurality of applications such as lines of credit (regarding previously presented claim 12); and (ii) that certifications require renewal (regarding previously presented claim 13). Same were responded to in Applicant's response dated March 14, 2005. Applicant had argued that such Official Notice should only be extended in *limited circumstances* and that such rejections should be judiciously applied. MPEP 2144.03. Applicant further pointed out that while "official notice" may be relied on, these circumstances should be rare when an application is under final rejection, as is the case herein. MPEP 2144.03(A). Moreover, it is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. MPEP 2144.03(A).

Sole reliance on the Official Notice has resulted in the rejection of the preferred embodiments of both claims 12 and claim 13 as the Examiner concisely states that the combined teachings of Aycock et al., GuruNet, and Bladen et al. are silent regarding the use of a special logo or insignia. Therefore, the Examiner's sole reliance acts as the sole, principal evidence

upon which the rejections to claims 12 and 13 were based, and as such the rejections are not appropriate.

Conclusion


In view of the foregoing remarks, it is submitted that present claims 12 and 13 patentably define over the Aycock et al. in combination with GuruNet, Bladen et al. and The Utah Research Handbook. Accordingly, reversal of the rejection of claims 12 and 13 under 35 USC §103(a) over Aycock et al., GuruNet, Bladen et al. and the Utah Research Handbook is respectfully requested.

(VIII) Conclusion

In light of the foregoing remarks, it is respectfully submitted that the contractor certification system of claim 1 (and claims 2, and 4 – 13 dependent thereon) is not disclosed or suggested by any combination of the art references applied, and thus meet the conditions for patentability required by 35 U.S.C. §103(a).

Accordingly, reversal of the rejection of claims 1, 2 and 4 – 13 under 35 USC §103(a), and allowance of the present application, are earnestly solicited.

Respectfully submitted,
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(IX) Claims Appendix — Claims On Appeal

1. A contractor certification system comprising:

- a. survey means comprising a questionnaire, which is provided to selected candidates within different organizational levels of a building contractor's business for gathering answers concerning information detailing business and financial practices, said answers being used for assessing business and financial practices of said contractor's practices by an independent third party, said financial practices being used to predicate risk ranking when securing lines of credit for said contractor's business, said business practice information comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, said financial practice information comprising current projects, funding, gross margins and close out procedures;
- b. said selected candidates comprising workers, foremen, project managers, engineers, and principals;
- c. mapping means for studying said answers provided to said questionnaire to select job site visits and candidates for interviews, said mapping means comprising examining and correlating said answers to determine matches, discrepancies and inadequate details;
- d. on-location assessment means for determining business and financial practices at the contractor's operations, said assessment means comprising asking questions to

each of said candidates selected through said mapping means and observing examples of the contractor's business practices and financial procedures, said assessment means further comprising visiting several active job sites at which said contractor is involved;

- e. comparison means for assessing business and financial practices, and ranking the contractor in comparison with industry standards; and
 - f. reporting means for providing a grade indicative of said contractor's rank, said reporting means further comprising generation of a comparative report that provides a listing of key risk factors and highlights said business and financial practices and risk factors of said contractor in comparison of said risk factors, said risk factors comprising said operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation.
2. A contractor certification system as recited by claim 1, wherein said questionnaire is composed of non-threatening questions.
3. (cancel).

4. A contractor certification system as recited by claim 1, wherein said on-location assessments comprise one on one interviews drawn from selected candidates and job site visits.
5. A contractor certification system as recited by claim 1, wherein said comparison means comprises an evaluation of said contractor's business and financial practice data against one or more databases containing performance and risk factor data from similar contractors, stored by the contractor certification system.
6. A contractor certification system as recited by claim 1, wherein said reporting means comprises:
 - a. a comparison report addressed to a surety institution and said contractor,
 - b. a logo graphically depicting a hobo wearing a top hat having a base, a top portion, a partially colored portion and an uncolored portion, the colored portion extending upward from said base toward said top portion, and said uncolored portion varying inversely with said grade.
7. A contractor certification system as recited by claim 2, wherein said questionnaire comprises questions directed to organizational aspects with particular reference to management structure, authority delegation and decision-making practices.

8. A contractor certification system as recited by claim 2, wherein said questionnaire comprises questions directed to management practices, with particular reference to marketing, bidding processes, and project execution practices.
9. A contractor certification system as recited by claim 5, wherein said database stored comprises a compilation of business and financial and risk data derived from contractors previously evaluated.
10. A contractor certification system as recited by claim 6, wherein said comparison report sets forth said contractor's business and financial practices with detail sufficient to assist surety institutions engaged in underwriting a contractor's credit line.
11. A contractor certification system as recited by claim 6, wherein said logo is adapted for display in a contractor's letterhead to advertise and communicate said contractor's rank, business and financial practices.
12. A contractor certification system as recited by claim 1, wherein said reporting means is provided to lending institutions for determining an amount of credit to extend to said contractor's business.
13. A contractor certification system as recited by claim 1 that is repeated annually.

Applicant : David J. Alverson
Serial No. : 10/634,504
Filed : August 5, 2003
Page : 72

Attorney Docket No.: 0131-1

72

(X) Evidence Appendix

Not applicable.

Applicant : David J. Alverson
Serial No. : 10/634,504
Filed : August 5, 2003
Page : 73

Attorney Docket No.: 0131-1

73

(XI) Related Proceedings Appendix

Not applicable.